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4th Draft, 11-12-11

Do **REDACT STATE EQUITIES AS SHOWN
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To **RETURNED TO ORIGINATING
AGENCY - DOD**

"Shots from a Luce Cannon":

Combating Communism in Italy, 1953-1956

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Date: 11 JAN 2010

Beginning with the April 1948 Italian national election campaign,¹ the United States invested large sums in economic aid and military assistance, along with substantial covert funds, to reduce the power of the Communist Party, the largest in Europe outside the Soviet bloc, and strengthen the governing Center coalition led by the Christian Democrats (DC) and Prime Minister Alcide De Gasperi.* (U)

The first series of policy papers the National Security Council (NSC) produced after its creation in 1947 dealt with the possibility of the Communists winning the 1948 election or staging an insurrection to seize power.² A successor series (NSC 67) updating policy in 1950-51, in effect until the second year of the Eisenhower administration, was unusual in that its focus—the Communist threat—was narrower than most NSC papers covering a single country. The focus derived from the importance accorded the country's strategic position. If the Soviet Union gained control of Italy, it "could dominate the Western Mediterranean and could apply substantial military power against the Balkans and Western Europe."³ In 1951 President Truman established the Psychological Strategy

* The smaller coalition parties included the Republicans (PRI), Liberals (PLI), and Social Democrats (PSDI). In 1947 De Gasperi had ousted from his Cabinet the Communists (PCI) led by Palmiro Togliatti and the Socialists (PSI) under the leadership of Pietro Nenni. The Social Democrats, headed by Giuseppe Saragat, were Right-leaning Socialists who broke with the party and joined the Center electoral bloc that defeated a PCI-PSI bloc in the 1948 election. Small parties on the far Right not represented in the government included the Monarchists (PNM) and the neo-Fascist MSI. (U)

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Board (PSB) under which a working group compiled a checklist of actions and coordinated U.S. Government efforts to weaken Communist influence in the country. Although Eisenhower replaced the PSB with the Operations Coordinating Board (OCB) in 1953, the new body in effect retained the working group on Italy and a similar checklist of actions.⁴ (U)

Little changed in the new administration's approach to Italy's Communist problem, appearances to the contrary. In appointing Clare Boothe Luce in March 1953 as ambassador, the first woman to represent the United States at a major diplomatic post,⁵ Eisenhower essentially continued his predecessor's activist policy while giving it a different face. (U)

Luce soon became a center of attention as much for her glamour and an inclination to speak her mind openly—and sometimes too sharply—as for the groundbreaking nature of the appointment. She labeled it a myth that she talked too much. Once dubbed the “Candor Kid” by the *New Yorker*, now just shy of her fiftieth birthday, Luce had been a magazine editor, successful playwright (among others, the Broadway hit, *The Women*), and reporter for *Life* magazine at the outset of World War II. Beginning in 1943 she served two terms in Congress, becoming the first female member of the House Armed Services Committee. After failing in 1952 to win the Republican nomination for the Senate from Connecticut, she and her second husband, Henry R. Luce, publisher of *Time*, *Life*, and *Fortune*, campaigned heavily for Eisenhower. No doubt the appointment was a reward for their support. Her recent conversion to Catholicism may have been a factor in her posting to a predominantly Catholic country.⁶ (U)

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Office of the Secretary of Defense *SUSC. J. M.*
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The appointment was not widely welcomed in Italy. Embassy morale plummeted at the news. Minister Counselor Elbridge Durbrow, second in rank, lobbied the Foreign Ministry to reject the appointment. Another staff member thought of resigning. The popular Ellsworth Bunker, who had been in Rome as ambassador for less than a year, had to lecture the staff on the need for supporting his successor.⁷ The Italian press reacted negatively. A cartoon portrayed the American flag edged in lace hanging from the Embassy building. Some Italians did not like the idea of relations with an important country like the United States being handled by a woman. Others thought her Catholicism meant a boost for clerical influence within the government. But, particularly on the Right, people began to point out that her ties to President Eisenhower and Secretary of State Dulles could only help Italy and her husband's publications might enhance Americans' image of the country. Despite all the grumbling, De Gasperi decided to accept the appointment, reportedly saying, "If the President of the United States wants to send a woman she will be more than welcome. I have already met her and like her."⁸ (U)

Under Bunker the Embassy tried to pull back from the highly visible role it had played during the 1948 election campaign and keep in the background. Injecting the United States into the Italian scene, he believed, only helped the Communists. U.S. policy "should be as self-effacing as possible and let the Italians get the credit for the material progress which has been made." Luce was aware of the expectation that she should maintain a low profile. Shortly after her nomination a reporter asked if she would predict the outcome of the national election later that spring or offer advice on how Italians should vote. She replied, "We don't like people or other nations to interfere in our elections. . . . Why should they?" She confided to a friend: "I think it will be a time for

me to go quietly about my ambassadorial business, indicating that we simply do not interfere in other people's affairs." Given her outspoken personality, this may have been impossible. As a biographer noted, Luce was "to the limelight what certain actors are to the camera: they love each other on a level almost below consciousness, and can find each other in a London fog."⁹ (U)

It did not take long for Italians to warm to her. By summer British Ambassador Victor Mallet observed that "the phenomenon of a woman Ambassador excited the Italian imagination to such an extent that Mrs. Luce has had to put up with a kind of film star reception wherever she goes. Luckily, she seems rather to like queening it in this manner, but it makes it difficult for Italian politicians and her diplomatic colleagues to deal with her in business matters on an ordinary footing of equality." He sized her up as "goodlooking and beautifully dressed" with much "personal charm to mix with her not too profound intelligence," noting that she was "a convinced feminist" eager "to show that a woman can do the job as well as a man." He added somewhat condescendingly that she was "hardworking enough to make a suitable Ambassador." Luce's celebrity status was reflected in a poll showing that within a month almost 50% of Italians knew her name, while only 2 percent knew Bunker's.¹⁰ (U)

It is open to question whether she helped during her three-and-a-half years' tenure to fortify the Center parties and weaken the Communists, primarily by selectively awarding Offshore Procurement Program (OSP)* contracts to reduce Communist

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* Financed under the Military Defense Assistance Program (MDAP), offshore procurement provided funds for U.S. purchase of military equipment manufactured in other countries and its presentation to allies (often the country of manufacture) for their military forces. By April 1954 the United States had placed contracts in European NATO

influence in Italian labor unions and by covertly funneling large sums of money to Center parties and organizations, though not nearly as much as generally believed. When she left Italy the relative electoral positions of the parties had changed only slightly. Although her main mission was political, military matters occupied much of her time. In addition to involving herself heavily in the implementation of the OSP program, she sought Italian backing for the European Defense Community (EDC), wrapped up agreements governing U.S. military facilities and the status of U.S. forces in Italy, helped to resolve the Trieste controversy that in the fall of 1953 brought Italy and Yugoslavia close to war, and wrestled with the question of possible U.S. military intervention should civil war break out in Italy. (U)

The Disappointing 1953 National Election

By the time Luce arrived in Rome fears had lessened of a possible Communist insurrection or a Left bloc victory in the next national election, though the Center's electoral strength had been declining in local elections. (U)

During the 1948 election campaign military contingency planning played a large part in Washington's thinking. If the Communists came to power legally, the Truman administration decided it would carry out a limited mobilization, further strengthen military forces in the Mediterranean, begin combined planning with allies, and provide financial and military assistance to any anticommunist underground that might emerge. The CIA expected that anticommunist forces would try to prevent a communist government from consolidating power but would not be able to overthrow it or hold areas under their control "without immediate and substantial foreign assistance." The Joint

countries amounting to \$1.7 billion, roughly half of which was for ammunition. (Ismay, *NATO: The First Five Years*, 137.) (U)

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Chiefs deemed sending additional U.S. air and naval forces to the region feasible. Because deploying ground forces would deplete a reserve already dangerously low, they advocated reinstitution of the draft. They also pointed out that neither limited nor general mobilization would significantly boost combat strength until at least a year after mobilization had started.¹¹ (U)

Concerned also with the possibility—late in 1947 considered a likelihood—that the Communists would use force to seize power, the United States wanted to rush delivery to Italy of military equipment for the government's use in controlling disturbances expected during the campaign and immediately following the election. De Gasperi initially balked, fearing that knowledge of the shipments would give the Communists propaganda fodder, but eventually relented. The equipment, mostly small arms ammunition, began to arrive in early April 1948 without notice via Germany.¹² (U)

Just before the election, the Joint Chiefs finalized plans to move U.S. air and naval forces to the Mediterranean as a show of force. A year later, however, they concluded that several positive developments, including the favorable outcomes of the Italian and French elections, the establishment of NATO, and the Soviet-Yugoslav split had obviated the need to have military supplies and equipment pre-stocked to carry out the movement of these forces, planning for which they now considered "a contingent rather than a firm demand."¹³ (U)

By the beginning of 1953 the Communist Party was downplaying the use of violence and subordinating preparations for insurrection to lawful political activities. Although it had maintained a paramilitary organization of more than 50,000 members, that number had apparently been declining; there was no evidence the party intended to

augment these forces in the near future. Police occasionally discovered and seized weapons hidden in large caches but found them in poor condition. A State Department analysis concluded that in the unlikely event the party attempted a major insurrection, government authorities could ruthlessly suppress it. Even in northern areas where the party was strong, only a Soviet invasion would give it any prospect of carrying out successful revolutionary action.¹⁴ (U)

The national election held 7-8 June, the first since 1948, confronted Luce with an immediate challenge. Originally scheduled for April, the State Department had wanted Bunker to remain in Rome until it was over. When the date was pushed back, State, worried that it would appear he was staying to manage another U.S. intervention, decided Luce should arrive before the election.¹⁵ (U)

In the contest for the more important lower house, the Chamber of Deputies, the Center coalition suffered a huge setback, winning 49.8 % of the popular vote, a sharp drop from the 62% achieved in 1948. It narrowly retained control with a majority of 16 seats rather than the 160 it had enjoyed.¹⁶ The biggest gains accrued not to the Communists but to their allies, Nenni's Socialist Party, and to the neo-Fascist and Monarchist parties of the far Right. What made the result even more disappointing was the failure of the Center coalition to benefit from a modified electoral law, labeled the "swindle law" by the far Left and the far Right, whereby it would have received almost two-thirds of the Chamber seats had it won just a bare majority of the popular vote.¹⁷ (U)

The poor showing was not unexpected. Although one historian has claimed that American officials viewed the coalition's prospects with much optimism,¹⁸ it is more accurate to describe official opinion as ranging from alarm to cautious optimism. With

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the coalition's electoral strength already falling to around 51% in the 1952 local elections, Bunker appealed to the CIA for increased subsidies for the Center parties prior to the 1953 national election. Some [REDACTED] perhaps more, would be needed, he said. Embassy opinion unanimously held "that the fate, not only of everything we have done here, but our present position in Italy, and our hopes for the future" hinged on the election's outcome. If the Center lost, Bunker declared, "I believe we shall be picking up the pieces not only in Italy but all over Europe for years."¹⁹ (S)

Subsequent prognoses brightened a little but remained mixed. On returning to Washington in the spring, Bunker told Director of Central Intelligence (DCI) Allen Dulles that the election would be quite close; there was a "fair possibility" the Center would win "a fraction more than the 50% of the total vote." But a State official monitoring the campaign felt the prospects "did not point unequivocally to a victory for the center coalition."²⁰ Two weeks prior to the election State thought the Center would obtain around 51%. On election eve the Embassy held to what it had been saying throughout the spring: It anticipated a "rather slim margin" of victory for the Center, an outcome the CIA also foresaw.²¹ However disappointing, the Center's winning just under 50 percent of the popular vote therefore came as no big surprise. (U)

Luce's first major public address may have contributed to the Center's setback. In Milan on 28 May, little more than a week before the election, she warned that "if--though it cannot happen--the Italian people should fall unhappy victim to the wiles of totalitarianism, totalitarianism of the right or left, there would logically follow, logically and tragically, grave consequences for this intimate and warm cooperation we now

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enjoy." From the Left and the Right came charges that the implied threat of a U.S. aid cutoff constituted meddling.²² (U)

Although one of Luce's staff contended that the speech "said what needed to be said" but had served as "a convenient means of criticism" for people "who hated a woman Ambassador anyway," British Ambassador Mallet felt it "may have done more harm than good." Washington officials reportedly preferred that the remarks, not cleared by State, had been worded more diplomatically, but they had no intention of disavowing or clarifying them. The *Washington Post* called them an "inexplicable breach of diplomatic propriety" that would not help the Center's chances. After the results were in, while acknowledging that many other factors had been at play, the *Post* again mentioned the Milan speech, emphasizing that a shift of one per cent of the votes would have made a huge difference in the Chamber's composition.²³ (U)

Then and later Luce strove to counter criticism that her remarks had cost the Center coalition the bonus seats, contending that they created more of a stir in the United States than in Italy. She liked to repeat De Gasperi's argument that the Cold War thaw following Stalin's death, and particularly British Prime Minister Churchill's call for an East-West summit, had been responsible. Months afterwards she told an Italian newspaper that two staff members had written the speech, both of whom had since left Rome. She eventually identified Durbrow as responsible for the warning comments, saying she had wanted to remove them from the speech but he had insisted they stay. Luce's social secretary, who claims to have typed the speech, recalled the ambassador working on it for five days. Presumably repeating what Luce told her, she said that the ambassador had discussed it with Secretary Dulles and others at State, implying that the

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text had been cleared in Washington.²⁴ Luce herself never made this claim, and there is no evidence such clearance took place. (U)

The marked-up first draft of the speech reveals that Luce herself, not Durbrow or anyone else, inserted the controversial language.²⁵ It may be that when criticism arose, Durbrow volunteered to take the blame or that at some point Luce changed her mind and wanted it removed but was persuaded otherwise. In any event, there is little doubt Luce was the original source. (U)

Luce had an uncharacteristically rosy estimate of the Center's chances in the election. A self-professed pessimist, her response to a suggested course of action often was, "What's the worst that can happen?"²⁶ On the eve of the election, however, she told a friend that she was "more optimistic about De Gasperi's chances than many other observers" and believed that he "will get comfortably thru, and will be able to form and continue a stable government." In an election pool conducted by U.S. and British Embassy staffs, she predicted that the Center parties would receive 54.8% of the vote and the Communists and Nenni Socialists together only 29.7%.²⁷ Afterward, in public comments and reporting to Washington, she avoided expressions of alarm, saying she saw the results mainly as a step in Italy's slow and steady move toward communism. She even managed to put a positive spin on the results, perhaps in part to deflect criticism of the Milan speech. The outcome was a victory for the Christian Democrats, she maintained, since the party received more votes than any other and almost twice as many as the PCI. For the time being she considered pessimism unwarranted and urged that it not be expressed.²⁸ (U)

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While the Embassy tried during the campaign to stay in the background, one prominent journalist went too far in contending that the U.S. Government—except for Luce's speech--maintained a hands-off attitude. In a number of ways less dramatic than in 1948, it did attempt to aid the Center parties. One was President Eisenhower's announcement in April 1953 of his intention to seek legislation allowing a marked increase in the number of Italian immigrants to the United States, an announcement De Gasperi felt would help his chances in the election. Another move was stepping up the pace of OSP awards, even if it meant incurring higher costs, in order to stimulate employment and enhance the image of the ruling coalition. Although the State Department doubted that contracts could be placed quickly enough to create new jobs before the election, Washington went ahead with the effort anyway. In fact, the volume of contracts exceeded the target figure of \$150 million. An election postmortem concluded that in spite of the Center's setback the accelerated OSP program had at least helped keep De Gasperi in office.²⁹ (U)

This notion that the election might have turned out worse were it not for at least limited American involvement appeared in a CIA assessment of its role. Frank Wisner, CIA Deputy Director (Plans), believed that had it not been for the agency's covert financial support "the reverse suffered by De Gasperi and the center parties would have been a rout" and both the extreme Left and Right would have fared much better. How much the CIA devoted specifically to the election campaign is not clear, but the figure was less than the [REDACTED] that outgoing CIA Director Walter Bedell Smith mentioned [REDACTED] During the fiscal year ending 30 June 1953. expenditures for political action and other operations in Italy having an

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important political aspect—likely including some activities not related to the election-- came to just under [REDACTED] up from [REDACTED] for the same purposes the previous year.³¹ (S)

CIA 1.4(c)

OSD 1.4(c)

Sounding the Alarm

Any concern Luce may have suppressed in the wake of the election gave way to alarm when the political situation quickly deteriorated after the De Gasperi Government fell the following month. His inability to form a new government led to the collapse of the four-party Center coalition and formation of a one-party caretaker government in August by a Right-wing Christian Democrat, Giuseppe Pella, to serve until the end of October. (U)

Despite, or perhaps because of his tenuous political position, Pella made a bold move to settle the Trieste controversy with Yugoslavia, broaching his plan in an unorthodox way. While Supreme Allied Commander, Europe (SACEUR) General Alfred Gruenther was aboard a plane returning to Paris after a visit to Rome in early September, an Italian military officer orally conveyed a message that Pella wished transmitted to Eisenhower. He wanted the United States and Great Britain to announce a provisional arrangement in Trieste allowing occupation by the Italians of Zone A, the area they were administering. He could not make the suggestion openly because Yugoslavia would certainly reject it, and Italian opposition parties would accuse him of a sellout since Italy would no longer be contesting Yugoslavia's claim to Zone B. To assure Eisenhower that the channel he was utilizing did not reflect a lack of confidence in Luce, Pella included a strong endorsement of her.³² (U)

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The United States and Great Britain went along with Pella's proposal, announcing on 8 October their intention to withdraw from Zone A and hand over administration to Italy. When Yugoslavia threatened to use military force to prevent Italian armed forces from entering the zone, the United States and Great Britain shelved the proposal. They decided to resolve the controversy by holding secret negotiations with the Yugoslavs beginning in February 1954, later bringing in the Italians.³³ (U)

The disillusioning effect of the Western powers' retreat from the 8 October announcement led to rioting and heightened the sense of crisis in Italy. At the same time organized labor unrest threatened political stability, as the non-communist trade union confederation, CISL, joined the larger Communist organization, CGIL,* in a one-day general strike in late September, the first joint action involving both sides of the labor spectrum since 1947.³⁴ At the end of October [REDACTED] [REDACTED] the political situation was rapidly worsening; left-wing extremists were "in almost complete control, directly or indirectly." The Center parties had regarded the June election as a defeat and were "engaging in all the petty quarrels and name calling of those who fail." Shoring up the political structure required a major infusion of resources. "It may not be too late," [REDACTED] "to preserve the democratic processes here but time is running out very fast."³⁵ (C) CIA 1.4(c) OSD 1.4(b)(c)

Luce now came to the same discouraging conclusion. According to Durbrow,

DOS 3.3(b)(1)(6)

* Established in 1944, CGIL (*Confederazione Generale Italiana del Lavoro*) was initially a unified trade union organization representing Communists, Socialists, and Christian Democrats. In 1950 the Christian Democrats and right-wing Socialists formed their own organizations, the predominantly Christian Democratic CISL (*Confederazione Italiana Sindacati dei Lavoratori*) and the *Unione Italiana del Lavoro* (UIL) which mainly represented the Social Democratic Party. By 1954 CGIL had 3.5 million members, CISL 1.5 million, and UIL between 100,000 and 200,000. (DepState, Public Services Division, *Background: Italy—1954*, 5-6, State Publication 5426, April 1954.) (U)

she "was very disturbed—really gloomy at times." She told him: "I've been here 6 months [and] what's happened. We lost the election. The government spends its time fighting itself. Nothing has been done. I've accomplished nothing!!!"³⁶ (U)

She wrote Eisenhower warning that if the non-Communist parties did not take strong political action, "within two years Italy will be the first Western Democratic nation, by legal democratic procedures, to get a Communist government." As a first step she advocated increasing U.S. covert financial support. The amount CIA planned to spend for all anticommunist activities by free labor unions, civic committees, cooperatives, and others "was not enough even to pay off the current debts of the CD Party," which, she said, amounted to [REDACTED]. She also urged prompt implementation of the Trieste declaration that had briefly boosted Pella's popularity but backfired on him as suspicion grew that the United States and Great Britain intended to "weasel" out to mollify Yugoslavia. Finally, she asked that State and CIA formulate new guidance for the Embassy regarding several contingencies: (1) a Communist Italy, (2) restoration of the Italian monarchy, and (3) support of a Right dictatorship.³⁷ (U) CIA 1.4(c)

The appeal did not go over well at the White House. The President drafted a prompt, rather sharp response that, he said, had one purpose: "to get over to her in roundabout fashion that it would be a good thing to analyze and specify what Italy could do for herself as well as to point out what we must do in the situation." He hoped Luce "would get the point."³⁸ Eisenhower assured her that the United States was not weaseling on the Trieste declaration. He thought it "odd that of all the countries in which we have been opposing Communism, we have had less success in Italy than in any other. The entire area of Western Europe, including Italy, has experienced a great rise in economic

activity during the last few years and a great part of this result has come about because of American help. Yet every new report from Italy bears evidence of an increasing resentment against us and increased respect for the Soviets." In general, he agreed that the United States should give Italy "increased concern and interest—to say nothing of money," but he believed that much responsibility rested with Italian leaders. He concluded with a pointed suggestion that "in addition to information as to the material, moral, and political assistance we should give either clandestinely or publicly, it would also be useful to know what kind of pressure we should put on these governments to do something themselves." As if to soften his remarks, a handwritten postscript gave Luce a pat on the back: "You are really going *good*—according to all the travellers."³⁹ (U) *Doc 3.3(b)(1)(6)*

OSD 1.4(b)(c)

The CIA already had begun to move in the direction Luce desired. During the first week of November, [REDACTED] Director Allen Dulles requested a thorough review to determine whether subsidies for Italy should be increased. That summer the uncertain political situation had prompted CIA to approve only [REDACTED] in financial assistance to the Christian Democrats on an interim three-month basis to help prop up the party's sagging organization. The agency's Western European Division now recommended greatly enlarging that figure. In addition to what was already budgeted, it proposed at least [REDACTED] annually over the next few years. Approval would have meant that the amount grew from around [REDACTED] a year.⁴⁰ *(U) CIA 1.4(c)*

Luce's warning did have some effect. On 10 November Allen Dulles told the Intelligence Advisory Committee (IAC) that a report received over the weekend, apparently her estimate, had prompted CIA to produce a paper on Italy's short-term political outlook for discussion at an NSC meeting later in the week. As it turned out, the

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NSC did not deal with the paper. Briefing notes prepared for Dulles's use, presumably reflecting the paper's conclusions, indicated that developments depended much on the Trieste issue. A solution acceptable to Italian public opinion would probably keep Pella in power. Without this he would almost certainly resign or his government would fall, thereby further increasing political instability and strengthening the extreme Left and Right. The estimate concluded that failure to satisfy Italy over Trieste probably would not cause the Communists to come to power within the next two years. Also possible, but unlikely, unhappiness over Trieste "perhaps combined with a prolonged general strike, could create a revolutionary situation in which the left might seek to overthrow the government." If the government made a sharp turn to the Right, the PCI might stage a coup; Italian security forces were considered capable of putting down such an attempt. The CIA paper, with revisions and updating contributed by State, the military services, and the Joint Staff, became a special estimate issued at the end of December. One of the more significant changes from the earlier version replaced the statement that the Communists and Nenni Socialists were unlikely to come to power within the next two years with an even more sanguine forecast that they were "unlikely to attain power within the foreseeable future, either by parliamentary means or by force."⁴¹ Washington was obviously not as alarmed as Luce. (U)

Although Luce had not mentioned in her estimate concerns about the Italian military or Department of Defense policies, she soon made these known. The Director of OSD's Office of Military Assistance, Major General G. S. Stewart, visited Rome in December and received an earful. Luce asked what the Pentagon could be thinking when it armed and trained "Italians who would end up by fighting against us." Regardless of

efforts by the government to purge Communist officers from the military, the armed forces could not be mobilized for war without including hundreds of thousands of Communists. Moreover, the Communists, in complete control of the telephone system, could probably disrupt communications throughout the country in the event of an emergency. The United States, she declared, was actually supporting rather than fighting communism by continuing military assistance and placing OSP contracts in Italy without requiring Italian authorities to purge Communists from the armed forces. And she wanted to use the award of OSP contracts as leverage to reduce Communist influence in Italian labor. Asking Stewart to pass her views on to Secretary of Defense Charles Wilson, she made the cryptic remark: "Tell Charley that I have changed my ideas considerably since talking to him last April."⁴² Presumably this meant she no longer intended to adopt a hands-off policy. (U)

Luce also wrote to General Gruenther, asking that NATO lend a hand in combating Communism in Italy. Gruenther, who discussed her appeal with Secretaries Dulles and Wilson when they came to Paris for the December NATO meeting, thought that unless she presented better reasons he was not inclined to raise her concerns as a military problem. He and OSD officials generally concluded that "the problem of communism within individual NATO nations should not be attacked through NATO military agencies, but should be worked on by means of all diplomatic and economic pressures available."⁴³ ~~(S)~~

Offshore Procurement as a Political Weapon

During a vacation in the United States after Christmas--she later complained that during her service in Italy she was never officially recalled for consultation and always

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had to pay her own travel expenses—Luce urged acceptance of her ideas at a series of meetings with President Eisenhower and with State, Defense, and CIA officials. Her major proposal was to make it clear publicly that offshore procurement contracts would be awarded only to companies that took decisive action to reduce Communist strength in their labor forces. Luce later called it “armtwisting” that “wouldn’t be called interference.” She had to cut the visit short and return to Rome on 11 January after the Pella Government fell. Allen Dulles thought their talks “did a great deal to clarify our respective views regarding the Italian scene and when the emotional heat was removed I did not find that there was any very basic difference between us.”⁴⁴ (U)

The new approach did not involve a fundamental change; it merely made existing policy more systematic and its application more visible. An important objective in both PSB and OCB planning was to loosen the Communist grip on the Italian trade unions and bolster the free trade union movement. From its inception OSP had been employed for this purpose. The Benton Amendment to the 1951 Mutual Security Act stipulated that all U.S. military assistance should encourage and strengthen free labor movements in recipient countries. But Washington was uncertain how explicit the anticommunist aspect of OSP contracting should be. As CIA Director Smith had said in December 1952, in an apparent reference to Italy and France:

It is probably impractical to refuse to place a contract with a given factory . . . solely because a majority of the workers in the factory are on the Communist rolls. To do this might be to cut off essential procurement in these two countries. On the other hand, there will be instances where a particular factory can be put on notice that unless certain designated Communist agitators in that plant are dismissed, or unless appropriate support can be given to anti-Communist groups, the contract may be placed elsewhere. If, in a few instances, we can in this way destroy or reduce the influence of Communist top leadership in certain plants, the

power of the rank and file will be decreased and the word will rapidly spread from plant to plant.

Aware that this required "finesse and that bludgeon methods or the laying down of hard rules are impractical," he believed that OSP represented a tool for weakening the Communist hold on labor which was not being fully utilized.⁴⁵ (U)

Luce wanted to use the tool more as a bludgeon. She proposed that a high-level official, the Secretary or Under Secretary of State, publicly announce U.S. intention to employ OSP to combat communism. Secretary Dulles refused, but did send her a letter on 14 January 1954 expressing concern at increasing Communist strength, discussing necessary countermeasures, and pointing out the serious repercussions for U.S.-Italian relations if the unfavorable trend continued. He authorized her to show it informally to Italian officials. The letter also mentioned assurances Eisenhower had given Luce that Italy would receive a special aid package if the Communist threat were defeated.⁴⁶ (U)

Shortly after Luce returned to Rome, *New York Times* correspondent James Reston, in an account of her talks in Washington, revealed that she had been authorized to inform whatever Italian Government succeeded Pella's that the United States would stop placing OSP orders with Communist-dominated Italian factories. The Communists bitterly attacked the policy, accusing Luce of interfering in Italian domestic affairs and trying to dictate to the government. Even spokesmen for the non-Communist labor federations, CISL and UIL, denounced it.⁴⁷ (U)

State wanted Luce to avoid drawing too much public attention to the new policy. Recognizing the unfavorable Italian reaction, Smith, who had left the CIA to become Under Secretary of State, doubted that "any general information program would have a net favorable effect." He judged that "we are more likely to accomplish our purpose by

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working for the most part through normal diplomatic channels with the Italian Government, whenever constituted, and through normal OSP procedures with Italian industrialists. Our new line has been made very clear to the Italian public and enough of our activities will show above water in any case to keep the Italians firmly aware of our continuing concern and unwavering resolve."⁴⁸ (U)

Luce's critics secured more ammunition from an Italian journal's publication of remarks she reportedly made at a dinner gathering while in Washington, some of them critical of Italian governmental policy and De Gasperi himself. Thirty-five Senators on the Left asked the government to declare her *persona non grata*. Luce branded the story "a fabrication pure and simple."⁴⁹ The article may not have reported exactly what she said on that occasion, but it did represent a thoroughly accurate account of what she did say at other Washington meetings and in her correspondence. It was vintage Luce. (U)

Possible Civil War and U.S. Military Intervention

Luce's recommendation to employ OSP as a weapon to fight the Communists in the labor movement took a curious turn—a breakdown in communication at the upper levels of the two governments. (U)

With controversy developing over the new OSP policy, the Pella Government gave way eventually in February 1954 to one headed by Mario Scelba, a Christian Democrat who had been Minister of Interior for six years under De Gasperi but was not a member of Pella's cabinet. The British Embassy described Scelba, a 52-year old Sicilian, as physically unimpressive with an "agreeable friendly manner." The Foreign Office thought that as Minister of Interior he had been "singularly successful in keeping his sense during elections and repressing Communist demonstrations; thereby earning a

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reputation for ruthlessness." "Respected for his cool, clear-headedness," there was "no doubt about his ability as a leader."⁵⁰ (U)

American opinion was less flattering. A *New York Times* correspondent likened Scelba to "a pudgy Roman emperor." According to State's biographical sketch, Scelba was "not intellectually brilliant" but had "the reputation of a sound democratic conscience." Lacking "the natural graces and the persuasive qualities usually required for successful diplomatic negotiations," he was "inclined to peevishness" and relied "instead upon dogged persistence to achieve his objective."⁵¹ (U)

In November 1953 Luce held a troubling talk with Scelba during which she found it difficult to tell where he stood on the Communist issue. His comments echoed what De Gasperi and other Center politicians had been saying for years. Because Scelba thought the Communist menace not serious, it was not yet necessary to take action against it. Moreover, it was politically dangerous to do so until "a total attack" could be made; the Center parties would have to become much stronger before this could be done. If the United States continued to trust and aid the democratic elements, the government would handle the Communist problem in its own way. Perhaps because of this conversation, when Scelba was in the process of forming a new government in February 1954 Luce told Washington he was not regarded as a strong leader and few thought his government would survive for long.⁵² (U)

No longer on the sidelines as he had been in the fall, Scelba quickly, yet indirectly, made known his intention to take decisive action against the Communists. In late February U.S. Army intelligence in Austria learned from someone in the Ministry of Interior purportedly close to Scelba that the new prime minister would try to gain

parliamentary approval of EDC and that he anticipated uprisings by the Left in protest. If this happened, he planned to arrest more than 2,000 Communist leaders. If disturbances did not occur, security forces would provoke incidents. The source asked what support the United States would be willing to furnish, specifically whether it would make available on a standby basis troops stationed in Italy and Austria and/or elements of the Sixth Fleet in the Mediterranean.⁵³ (U)

The substance of the approach and the manner of communication bothered State. Assistant Secretary for European Affairs Livingston Merchant, uncertain as to the report's reliability, did not want to deal with the Italian Government through a military intelligence link. Moreover, he was dubious about the United States agreeing to threaten or actually demonstrate a show of force.⁵⁴ State therefore asked the Army to try to clarify certain points: (1) What would be the legal basis for arresting and detaining Communist leaders? (2) How long would they be detained? (3) Would Communist members of parliament also be arrested? (4) What measures would be taken to provoke the disorders? (5) Would the plan have the full support of Scelba's cabinet? It also suggested the Embassy in Rome as a better place for further discussions.⁵⁵ (U)

On 4 March Under Secretary Smith, to whom Dulles had apparently turned the matter over, informed Luce of the approach and of State's reservations: "We are taking care to avoid any commitment since we feel considerable skepticism as to whether the plan is either bona fide or practicable. We doubt whether Scelba, however much he might personally be inclined to take direct action, could carry his three-party cabinet with him on a scheme of this kind, and we question whether Communist leaders could be held under arrest for any length of time unless Scelba was prepared to assume dictatorial

powers." He instructed Luce to take no action and to report if she received a similar approach.⁵⁶ (U)

Unknown to Smith, an approach to Luce had already occurred. On 3 March Scelba sent for her and insisted that they talk alone without an interpreter. Their one-on-one conversation, conducted entirely in Italian, lasted an hour and a half. While Luce got the general drift of what Scelba said, his rapid speech and Sicilian accent left her unsure about finer points.⁵⁷ She gathered that he and the Christian Democrats were now committed to a real anticommunist program. Reiterating what he had told her in the fall, Scelba believed the Communists could not be defeated unless the government used "all-out force." It had the muscle to do so, but first needed to know what the United States would do if civil war developed. Not yet aware of the probe by the Army's source and without guidance from State on how to respond, Luce replied that the United States hoped it would not come to that and gave her personal view that it would probably back the Italian Government. (U)

Scelba seemed satisfied. He then summoned an interpreter and resumed the conversation, saying that he had just described the Communist situation as "complex but *not* dangerous" and had been pleading with Luce to stop the American press from exaggerating its seriousness. In this complete about-face from the position he had taken privately, he obviously wanted to conceal what he had just told her. With the interpreter translating, Luce then read Dulles's letter of 14 January setting forth the new OSP policy and his and the President's desire that the Italian Government take strong action against the Communist Party. She also stressed the need for Italy to sign the military facilities

agreement, the urgency of a Trieste solution, and passage of EDC. Scelba replied that his government was ready to take action in all of these fields.⁵⁸ (U)

His abrupt shifting of gears may have surprised Luce. The essence of his initial private comments did not. She was inclined to accept them at face value since Vittorio Valletta, President of the Fiat manufacturing company and Scelba's close friend, had recently told her much the same thing. According to Valletta, Scelba, who had also reclaimed the Minister of Interior portfolio, now controlled the country and all of its forces. He predicted that the Prime Minister would take prompt action on EDC, thereby bringing Communist resistance into the open. Strong government measures against the Communists would risk civil disturbances. "In order to face this risk," Valletta said, "we must ask for the assurance of U.S. military help, if needed."⁵⁹ (U)

Less than discreet about these feelers, Luce dined with an American journalist the day after talking with Scelba and mentioned several times her fear that "conflict between Communists and anti-Communists might erupt 'into the piazzas.'" The violence would be good for the United States if a strong government were fully in power in Italy, but she did not feel that Scelba's fit the bill.⁶⁰ (U)

Three weeks later, on 28 March, Smith sent Luce an English and Italian text of another formal statement she was authorized to show Scelba. This one, responding to the probe through the Army and his remarks to Luce, noted Washington's satisfaction with his intention "to restrict wherever possible the power and influence of the Communist Party in Italy." It assured him "of its moral, and if necessary material, support in the implementation of such a program. The dangers inherent in meeting the Communist threat full on are recognized and appreciated. Should the courageous new policy of the

Italian Government involve it in open strife with the Communist apparatus, the United States Government would give such military assistance—*short of manpower* [emphasis added]—as might be required to reestablish the authority of the legitimate Italian Government and restore peace in Italy." Finally, the statement stressed that "the assurances of support, both moral and material just given, are based upon and conditioned by the conviction that the Scelba Ministry intends to carry out its program in defense of democratic institutions within a framework of legality and intends to preserve at all costs constitutional government in Italy."⁶¹ (U)

When Luce saw Scelba alone on 5 April and read him the statement, he asked to read it himself, then returned it without comment. "It was quite plain," she reported, "that his reaction was *entirely negative*." The qualification, "short of manpower," may have been crucial. As their conversation developed, it became clear that his ideas about the internal situation had changed since their meeting a month before. Following this brief conversation, he called in the interpreter and said several things that underscored his change of heart. Luce could only conclude that he had abandoned his earlier ideas.⁶² (U)

Although State had at first been skeptical about Scelba's initiative, Smith was now disappointed at his reaction:

I do not believe, however, that we should give up hope just yet that an effective anti-Communist program will be forthcoming and eventually implemented by his Government. We are now thoroughly satisfied that the feelers we had previously received did in fact emanate from the Ministry of Interior. It may be that they did not emanate from Sig. Scelba himself or that Scelba subsequently changed his mind, but I believe that we ought not to rule out the possibility that the plan originally had and still has the Prime Minister's support and that, now that he knows that it also has American blessing, he may proceed with greater vigor. I would be the first to admit that this may be the merest wishful thinking, but it costs us nothing to bide our time on this particular front for a while⁶³

Whether Scelba saw State's response as a blessing of the plan is debatable. But Smith was correct to adopt a wait-and-see attitude. Scelba would resurface the issue that summer. (U)

How the hedged answer given Scelba was prepared, particularly whether President Eisenhower and Secretary Dulles had a hand in the drafting, is not known. But Scelba's probing of U.S. intentions coincided with high-level consideration in the spring of 1954 of a new policy paper on Italy (NSC 5411) during which the President and Dulles dampened the Joint Chiefs' enthusiasm for a more aggressive policy.⁶⁴ (U)

In the past the two men had expressed reluctance to have the United States threaten or actually use military force to prevent a Communist takeover of Italy. As a member of the U.S. delegation to the London Foreign Ministers Conference in December 1947, Dulles objected to a proposed statement by President Truman implying that if disturbances and revolution occurred in Italy the United States would take forceful action. He argued that methods other than military should be used to combat communism, that the United States did not have the right or the duty under the UN Charter or the treaty of peace with Italy to take military action, and that such a statement should not be made without consulting Congress and particularly the chairman of the Senate Foreign Relations Committee.⁶⁵ (U)

The issue arose again in June 1953 just before the Italian national election. Eisenhower requested that a draft NSC paper on basic national security policy retain the word "forcible" in stating as an objective the prevention of "significant forcible expansion of Soviet bloc power even at the grave risk of general war." The NSC Planning Board had wanted to remove the word for fear it permitted Soviet expansion by means of

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internal subversion. At an NSC meeting the President explained his reasoning: "if some free world country, such as Italy, were actually to elect a Communist government, he did not see how we could do anything to prevent its exercise of power." When Special Assistant for National Security Affairs Robert Cutler interjected that current policy toward Italy provided for forcible U.S. intervention no matter how the Communists came to power, Eisenhower strongly objected. At Secretary Dulles's suggestion and with the President's approval, the statement was changed to read: "To prevent significant expansion of Soviet bloc power, even though in certain cases measures to this end may be used by the Soviet bloc as a pretext for war." This removed the distinction between the Communists' achieving power violently or peacefully. Eisenhower made clear how much he valued flexibility in such situations. He did not want "to be frozen to certain positions in advance of events." If and when Soviet bloc expansion occurred, "the United States would have to decide its position in light of the situation existing at the time."⁶⁶ (U)

Now, in March 1954 the Chiefs wanted to revisit the issue. Concerned that the new paper on Italy gave insufficient weight to the damage a legal Communist takeover would do to NATO and Mediterranean security, they recommended that "the United States, preferably in concert with its principal Allies, should be prepared to take the strongest possible action to prevent such an eventuality, such action possibly extending to the use of military power." In general, they felt the West should not passively accept anywhere in the world "strategically or psychologically important acquisitions of territory, natural resources, industrial capacity, or military manpower by the Soviets . . . even under circumstances in which action to deny such accretions might involve increased risk of general war."⁶⁷ (U)

When JCS Chairman Admiral Arthur Radford presented the Chiefs' views at the 25 March NSC meeting, Secretary Dulles, while agreeing in many respects, pointed out that before their views could be applied to any country, "there was an immense educational job to do to induce both our allies and our own people to understand the reasons which invited us to assume greatly increased risks of becoming involved in general war rather than to see other portions of the free world fall into the Soviet orbit." The JCS position could not be adopted at present because it would require popular, congressional, and allied support, which it did not have. Eisenhower stated that "if the United States alone attempted to carry out this recommended course of action, we would at once lose every ally we had." Because he thought the matter required more thought, the paper was returned to the Planning Board for further work.⁶⁸ (U)

The Planning Board accepted some of the Chiefs' recommendations but not their desire to stipulate use of U.S. military force if the Communists came to power, instead of merely saying, as the original draft had, that the United States would "be prepared to" use force. The board doubted whether NATO agreements would permit use of U.S. forces committed to the alliance to help overthrow a Communist regime established in Italy. It apparently based that position on an opinion obtained from the Office of the Secretary of Defense on the following question: "In the event the Communists obtained control of the Italian Government through legal means and the U.S. wished to use U.S. armed forces in Europe to turn out the Communists, is there any reason involving the commitment of these forces to NATO which would prevent the U.S. using them unilaterally if NATO were not prepared to act?" The answer had been that in a strictly legal sense, such unilateral action would represent a clear violation of the spirit and intent of existing

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NATO agreements. Although the board's consideration of the matter was entirely hypothetical and did not involve any contingency planning, it concluded that the original language provided the proper general guidance.⁶⁹ (U)

When the NSC resumed discussion of the revised paper several days later, the President focused on his reluctance to endorse the Chiefs' position. He "could not imagine anything worse than the unilateral use by the United States of its forces to overthrow a Communist regime. This simply could not be done except in concert with our allies." If Britain, France, and Germany agreed, "he wouldn't hesitate." When Radford pointed out that the Chiefs had recommended strong language because they viewed the possible loss of Italy as very serious, the President replied that no one would disagree. By intervening against the advice of allies, he declared, "we would lose a great deal more than Italy."⁷⁰ (U)

Reflecting Eisenhower's views, a key paragraph of the paper as finally approved (NSC 5411/2) contained this carefully worded language: "In the event the Communists achieve control of the Italian government by apparently* legal means, the United States, in concert with its principal NATO allies, should take appropriate action, possibly extending to the use of military power, to assist Italian elements seeking to overthrow the Communist regime in Italy." Another paragraph allowed greater breadth for U.S. action in the event the Communists "by armed insurrection or other illegal means, threaten the legitimate government of Italy or dominate a portion of Italy." In these situations, in

* The Planning Board also rejected the Chief's recommendation that a distinction be made between the Communists coming to power by "legal means" and by "constitutional means." The Chiefs' policy planning group, the Joint Strategic Survey Committee, had objected there was no such thing as the Communists gaining power legally. At Eisenhower's suggestion, the objection was met by inserting the word "apparently." (Memo of disc, 193rd NSC mtg, 13 Apr 54, *FRUS 1952-54*, 6:1675-77) (U)

addition to working through the United Nations and NATO to restore the authority of the government and increasing military assistance to areas under its control, the United States would make "such use of U.S. military power as may at the time be appropriate and consistent with over-all strategic concepts and international commitments to prevent Italy from falling under Communist domination."⁷¹ This more open-ended policy statement, a kind of elastic clause, would presumably apply to the civil war scenario envisioned by Scelba. (U)

Misunderstanding between Scelba and the U.S. Government soon surfaced. He seemingly felt that by talking about tougher measures against the Communists he had satisfied the condition laid down in Dulles's 14 January letter for an increase in U.S. economic assistance. When he met Dulles in Milan in early May, in an apparent reference to the letter he asked for more economic aid and for a high-level technical team to study ways to improve the Italian economy. Dulles replied that he and the American public had been favorably impressed by Scelba's "vigorous and realistic policies" and "his anti-Communist moves" and were pleased that their views of the Communist peril were similar but admitted ignorance about specific plans for economic assistance. He nevertheless promised to consider the requests.⁷² (U)

State subsequently searched records of messages to Scelba and concluded that the 14 January letter was the only one that could account for "his intentional or unintentional misunderstanding." Merchant pointed to the letter's mention of a special aid program "as a possibility only following a decisive reversal of the dangerous trend and following a rejection of Communism." It was impossible, he told the Secretary, to "know whether the trend had in fact been reversed until new elections had been held, although, of course, we

are happy about the measures the Italian Government has initiated and hope they will be implemented fully." State instructed Luce to clarify this to Scelba. It opposed dispatch of a technical mission, fearing that a positive reply might further mislead him about U.S. intentions.⁷³ (U)

Further Probes of U.S. Intentions

Toward the end of summer Scelba again tried to learn what military steps, if any, the United States would take in the event of civil war. Once more he approached someone outside the U.S. Embassy. During an August conversation in Rome with Allen Dulles about ways to attack the Communists, he raised a matter "which he did not wish to have taken up through ordinary diplomatic channels for obvious reasons of security." If his government's efforts to improve economic conditions failed to weaken the Communist Party, he feared that the only way to preserve Italian democracy might be to outlaw the party. But the government would have to proceed carefully and have absolute certainty of success. If the Communists reacted with force, he had to know what assistance to expect from the United States. (C)

Dulles, who had been present at the NSC meetings in the spring when the President and his brother had strongly opposed unilateral U.S. military intervention, replied that an answer could come only from a higher level and that whatever action might be taken "would have to be within the framework of our own constitutional processes and obligations under the United Nations and Atlantic Pact." Much as Luce had done in March, he then spoke for himself in an encouraging way, pointing out that "the background of American policy and action had been to render assistance to those governments who sought it in the effort to stop the advance of international

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Communism." He was certain that "the Italian case, if it arose, would not be different." The question was so important he would raise it upon his return to Washington. He assured Scelba that in his own area of responsibility, he would render all the assistance he could in the anticommunist struggle. "This implied, of course," Dulles stressed, "a willingness on the part of the Italian Government to proceed vigorously and courageously on their own score."⁷⁴ (C)

Dulles must have informed Luce of the conversation, for after he left Rome, she wrote to him: "As you know, the question that seems to plague Scelba is the need for a guarantee, a firm guarantee, from the U.S. that military help will be available if they try — and encounter Trouble (with a capital 'T')." She thought the NSC would soon have to consider the question, though she opposed raising it in a formal way "until we are sure, at this end, that Scelba has both a concrete plan of action and a time schedule for putting it into action. This he certainly does not seem to have now."⁷⁵ (U)

No record has been found that Scelba discussed with Luce herself the possibility of outlawing the Communist Party. He did take it up in late October with British Ambassador Ashley Clarke. After Scelba covered some of the same ground that he had with Allen Dulles, Clarke asked whether he planned to consult other West European nations or NATO before proceeding. Scelba replied that the government would give this considerable thought and would probably consult the British and the Americans. However, a month later he told Clarke that he was putting off any move to outlaw the Communist Party. It could not be done without more preparation on both the international and domestic levels. Clarke concluded that the idea had been shelved indefinitely.⁷⁶ (U)

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In Washington, the matter Scelba had raised with Allen Dulles--U.S. military support in the event of civil war—did not come before the President until the end of October. Meeting at the White House not with the NSC but with a small group and labeling the subject “most confidential,” Secretary Dulles reported the gist of what Scelba had discussed with his brother, including his inquiry whether U.S. forces would help the Italian Government put down a Communist uprising. Subject to certain qualifications, he and Eisenhower seemed open to the idea:

The Secretary then went on to say that the present NSC paper, as well as the U.S. Senate hearings on the NATO treaty when it was discussed, both seemed to give approval to a policy of supporting the Italian government in such circumstances. The President expressed some concern and said he felt that in such circumstances a special session of Congress would have to be called at once and mentioned that this was a tricky matter involving some of the points which had been raised in the Bricker Amendment discussions. He asked the Secretary whether the U.S. would be asked to intervene with its armed forces. The Secretary replied in the affirmative. The President then indicated that action by U.S. armed forces in such circumstances should be under the doctrine of self-preservation and protection of U.S. property, life, and the security of its forces; and that, if the affair assumed large proportions, the matter might be referred promptly to a special session of Congress.⁷⁷

It is not clear whether the sense of the discussion was communicated to Scelba. (U)

By late 1954, with a Trieste settlement having been reached in October, the Center parties' prospects had improved considerably. Moreover, Scelba could feel more confident of his position. A National Intelligence Estimate in November concluded that “a government dominated by the Christian Democrats in coalition with or supported by other anti-Communist parties will almost certainly remain in power until the next national elections,” scheduled for 1958, “and probably beyond.” The Scelba Government was

* The Bricker Amendment referred to a succession of amendments introduced in the Senate by John Bricker (R., Ohio) to limit the treaty-making power of the president. (U)

"likely to be more vigorous than any previous postwar government in attempting to implement economic and social reforms," but would not have much success in alleviating the unemployment problem without considerable outside financing. The NIE contained a further note of caution: "Unless a wisely conceived program is carried out on a broad scale against the political, economic, and social bases of Communist power and prestige," the Left Bloc's parliamentary representation might increase in the next general elections enough to obstruct parliamentary action and threaten the functioning of parliamentary democracy. "Should this situation arise, anti-Communist forces would probably meet it by forming a government able and willing to carry out drastic repressive measures against the extreme Left." A Communist attempt to seize power by force seemed unlikely. "If, however, the Communists should attempt a coup, we believe that the government, controlling the public security and military forces, almost certainly would be capable of frustrating the coup. Its present willingness to do so would be substantially increased if it were assured of prompt outside assistance."⁷⁸ (U)

What the United States for years had been urging Italian governments to do finally took place. On 4 December the Scelba Government announced sweeping measures, primarily commercial and financial, to crack down on the Communist Party without going so far as to outlaw it. The announcement, welcomed by Washington, did not appear as "simply window dressing to keep us happy." Later that month, at the NATO meeting in Paris, when Secretary Dulles congratulated Foreign Minister Gaetano Martino on the announcement, Martino voiced apprehension over the Communists making trouble through their control of the labor unions. He asked Dulles whether a high-

ranking U.S. military officer might visit Rome for a few days and "by his presence and advice to Scelba give them further courage in their anti-Communist campaign."⁷⁹ ~~(S)~~

While in Washington again in January 1955, Luce suggested to Eisenhower, Secretary Dulles, Wilson, and Deputy Secretary of Defense Robert Anderson that Chief of Naval Operations (CNO) Admiral Robert Carney be sent to discuss the possibility of concerting military action with Scelba. A logical choice, Carney had served for two years as Commander in Chief, Allied Forces, Southern Europe, headquartered in Naples, before becoming CNO in August 1953. Dulles, not Wilson or Anderson, gave Carney his orders, instructing him to be primarily a listener in his meeting with Scelba. He should avoid making "any explicit commitment" as well as "saying or giving the impression that we could do nothing." Dulles seemed ready to act unilaterally. If prompt action was required, he thought "it would be out of the question to await the completion of multi-lateral consultations." Carney suggested using a reinforced battalion of Marines with the Sixth Fleet in the Mediterranean or U.S. forces from Austria since neither was assigned to NATO.⁸⁰ (U)

Carney's talk with Scelba in Rome on 14 January 1955 produced few specifics. The Prime Minister remained uncertain when or precisely how he would crack down on the Communists. He would probably wait until after the Sicilian local elections in June. Depending on the outcome, he might close all Communist schools, dissolve local Communist administrations, and arrest key party officials. Confident that his government could handle disorders in Sicily and southern Italy, he was less certain about the North. U.S. military force, he said, should be close at hand there for its stabilizing effect. In some instances he might invite American troops to secure ports. Carney indicated this

type of support was feasible given about 30-days' notice, but he was careful not to imply a commitment.⁸¹ ~~(S)~~

Dulles's January 1954 letter had linked tougher anticommunist measures by the Italian Government to additional U.S. economic assistance. Interested in more than assurances of U.S. military support, Scelba now countered with a new linkage. Put bluntly, if the U.S. Government wanted strong anticommunist action it should invite him to visit the United States. When the idea first came up in a general way in the fall of 1954, the Italian Ambassador to the United States, Alberto Tarchiani, while in Rome for consultations, gave it a historical twist. He reminded Luce that De Gasperi had ousted the Communists from the government after a visit to the United States in 1947. If Scelba received a similar invitation, Tarchiani said, he "probably should take some further anti-Communist actions" before coming. And after he "had a chance to talk with high-ranking American officials on the subject of Communism, he would return greatly strengthened in his determination to use all means at his disposal to reduce Communist strength."⁸² (U)

The Prime Minister once again reverted to Italy's need for economic assistance. He told Luce that anticommunist measures could not succeed without U.S. financial support of his government's economic plans and reiterated his request to Dulles at Milan for a high-level U.S. technical mission. Instead of promptly agreeing, which might lead to the U.S. Government's assuming an unknown cost in additional aid, Luce recommended that Scelba be invited to Washington to discuss economic matters. The visit would allow the administration to give him an economic aid package consisting of items already scheduled for Italy, such as surplus farm products under PL 480, and to announce a specific amount of OSP aid. This, said Luce, he "could bring home as his bacon." Dulles,

beginning to have doubts about Scelba, nevertheless secured Eisenhower's agreement to invite the prime minister, though he wondered whether it would not be wise to obtain the approval of Christian Democratic Party Secretary Amintore Fanfani, since he "might be an important rival and perhaps a more effective Prime Minister than Scelba." A short time later Dulles remarked that Scelba's anticommunist program was "somewhat of a mirage," essentially a ploy to extract U.S. economic assistance.⁸³ ~~(S)~~

In Washington Luce found little enthusiasm for a large economic package. It was not surprising, for she essentially embraced Scelba's line of reasoning: the United States should first provide Italy economic assistance, then the Italian Government would take strong action against the Communists. After meeting with the President in early January 1955, she made her case to Special Assistant for National Security Affairs Cutler. Invoking Eisenhower's authority, she declared, "I believe with the President that this is a situation where we should, as he puts it, 'support success.'" She thought an offer of economic assistance, essential to "Italy's ability to carry out even more vigorous anti-communist measures," should be contingent only on the Italian Government's making "a good start" within two or three months in implementing its anticommunist program. If her recommendation was approved, Luce foresaw "real hope of achieving in the next few years a truly significant, perhaps even a definitive victory" against the Communists. But Cutler learned that State had informed Luce her proposal required more money than would be available. From a recent report by CIA Director Dulles Cutler knew that large amounts of economic aid had failed to diminish Communist influence in Italy and France and that further assistance would have to be conditioned on those governments taking strong action against the Communists.⁸⁴ (U)

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The Operations Coordinating Board, viewing her estimate of \$100-\$200 million over each of the next three years as merely an Embassy proposal that had not been reviewed in Washington, directed a working group to study it. Luce continued to argue that "economic aid should not be made available until after the Scelba Government takes a series of political steps designed to overcome Communist influence," while noting that it "will not take these steps unless a 'reward' in the form of economic [aid] is made available immediately following each step."⁸⁵ ~~(S)~~

She had more success with a proposal to stiffen implementation of the OSP policy in effect since early 1954. She told Assistant Secretary of Defense (ISA) H. Struve Hensel of her dissatisfaction with Fiat over its ineffectiveness in reducing Communist influence within its plants. Company officials apparently believed that the Department of Defense would not implement the guidelines for placing OSP contracts. She recommended that a contract then under consideration with Fiat for F-86K fighters be awarded only for assembly of the aircraft. The contract for procurement of spare parts and support equipment could be deferred until after assessment of the outcome of the March shop steward elections at the company's Turin plants.⁸⁶ ~~(S)~~

Luce had experienced difficulty in selling Hensel on the wisdom of the revamped OSP policy. When they had first met, she asserted that "the whole point of military aid is to stop Italy from becoming communist." Hensel had replied that it might have that effect, but it was not going to be his approach. "I think that it's a question of making Italy sound, and you're going to have to work out your fight with communism on some other basis." Luce later teased him about how his retort had scared her. "Scaring Clare Boothe is very difficult for any man to do," recalled Hensel, "so I know I didn't do it." Hensel

had not argued with Luce "about her diagnosis of the political situation with respect to Communist dominated unions in Italy or what she could or could not accomplish through withholding OSP contracts." Instead, he and Luce had worked out a method to smooth the process of awarding contracts by having the Embassy prepare a "white list" of acceptable companies that would be given to procurement officers. By the beginning of 1955 the basic problem in Hensel's eyes was no longer procedural. "I am afraid," he told a colleague, that without new legislation "there is not going to be much of a volume of OSP for Italy or anywhere else."⁸⁷ (U)

At Luce's urging, Hensel agreed to release on 17 January 1955 an announcement that OSP contracts would not be awarded to plants dominated by Communist labor unions. Although he felt the statement too dry and unlikely to attract much attention, Luce and State assured him that it would receive adequate publicity.⁸⁸ This was essentially the same public statement the Department of State had refused to issue the previous January, the substance of which had been leaked in the *New York Times*. (S)

En route back to Rome Luce discussed the F-86K question with General Gruenther in Paris. They agreed that Fiat should receive a contract to assemble three prototype aircraft. If these proved satisfactory, the company might be given a follow-on to build between one and two thousand planes. In Luce's opinion, this would allow the United States to "retain leverage" on Valletta. "If we got our way—and he really showed some progress in cleaning up his plants—we might then give him the rest of the contract. Since there is no way of knowing how much Offshore there will be next year, this item represents one of the few levers in our possession and should be treated accordingly."

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Back at her post she bore down on Valletta, telling him that Fiat's upcoming shop steward elections would be "the Marne of the Italian labor situation."⁸⁹ (U)

Coolness in Washington

Luce's difficulty in selling the idea of a large aid package foreshadowed the cool reception, despite superficial cordiality, that Washington accorded Scelba during his visit in late March 1955.⁹⁰ The Prime Minister received no offer of large-scale economic aid. Nor did anyone encourage him to expect the kind of military support that he sought in the event of civil war. (U)

Both in Washington and in Rome, U.S. officials had endeavored to disabuse the Italian Government of any expectation of an offer of major economic assistance. State's briefing paper for Eisenhower noted that "after considerable persuasion from us," Scelba would probably treat the visit as essentially a way to promote good will between the two countries and enhance his own personal prestige. Still it was possible he would make a plea for \$330 million in direct economic aid over the next three or four years. If that happened, State advised against weakening his position "through a rebuff which might become known." Notwithstanding its weaknesses, his government was "the best one in sight." State therefore suggested topics for Eisenhower to raise and ways to avoid directly rejecting a possible request for economic aid.⁹¹ (U)

The paper intentionally omitted mention of Scelba's approach to Carney in January. Fearing that he might be embarrassed if the President raised the matter in front of other members of his delegation, whom he might not have taken into his confidence, State's Bureau of European Affairs (EUR) treated it in a separate draft memorandum for Dulles to sign and give to Eisenhower. The memorandum suggested that Eisenhower take

Scelba aside prior to a White House luncheon and answer his inquiry. Since nothing more had been heard from Scelba, EUR thought he might be waiting for a definitive response. It recommended that Eisenhower tell him that 'should his efforts seriously to weaken the Communist apparatus in Italy produce a violent reaction, the United States stands ready to provide the military support of the general character and magnitude requested of Admiral Carney during his visit to Rome last January.' The draft stated that the Joint Chiefs, Secretary of Defense Wilson, and Dulles all considered Scelba's proposals "reasonable and feasible." From handwritten marginal notations, it seems clear that Dulles did not sign the memorandum and decided instead that he, not Eisenhower, would deliver the response.⁹² Judging by what he subsequently told Scelba, he objected to the views the memorandum attributed to him and perhaps also to the others. (U)

In fact, Carney's report of the conversation with Scelba had elicited little enthusiasm at Defense. Contrary to what EUR's memorandum indicated, the Joint Chiefs' were not willing to intervene. Their position had changed radically. Perhaps on the basis of informal soundings or awareness of the position they had taken in the past, EUR anticipated what their views would be before receiving them in writing. But without more specific information, the Chiefs now were reluctant to become involved in a plan that appeared "in the formative stage only" and lacking "sufficient definition . . . as to its military implications." They recommended that "under no circumstances should the plan in its present indefinite form be endorsed since it could lead to United States commitments the nature of which cannot be forecast." Though Scelba anticipated use of only token U.S. forces, they needed more precise estimates of Italian capabilities and U.S. requirements. The key factor was that "once the United States is committed to

extending military support it must be prepared to furnish forces adequate to assure success."⁹³ (U)

Meeting with Scelba the morning of 28 March, the President adopted a more sympathetic approach than State had desired. Scelba spoke at length about the anticommunist measures his government had taken and its efforts to improve economic conditions, but he did not feel "Italy's economic situation was fully appreciated" in Washington. Moreover, "it would be a disaster for the entire civilized world if Italy and Rome should fall into the hands of the communists." He emphasized that "they would never permit Italy to be taken over by the communists;" they "were determined to fight and felt they had a right to be helped by their allies and friends." (U)

Eisenhower thanked Scelba for the actions taken "to defend the common cause" which had "required courage, drive and forcefulness," assuring him that that the United States not only recognized the scope of the problem but was fully aware of Italy's importance to the world and NATO. He said that the impression that Italy was "entitled to some aid" was "generally correct." He assured him that "we would look with sympathy on his problem" but did not want him "to underestimate the scope of our problem." He noted,

As a former military commander in the Mediterranean and as Supreme Commander he was well aware of the political and strategic importance of Italy. We had no intention of losing Italy, he wished to be a good partner to them but he trusted that the Premier would not make his plan so entirely dependent on American aid as to jeopardize our plans or make us fail in some other area, nor to cause us to ask Congress for something we could not justify.

Scelba said they "had no intention of unloading on the U.S. the problem of the internal defense of Italy. They would handle that themselves, and secondly that they were not looking for gifts or donations but other forms of aid."⁹⁴ (U)

During a dinner conversation with Dulles that evening, Scelba said he had not received an answer to the question he raised with Carney. Dulles's thought that a reply had been sent through both Carney and Luce, but Scelba said there had been no follow-up from Carney and "he could not talk about matters of this kind with a woman." Dulles observed that "it was very difficult to make a specific reply because no one could foresee the conditions under which aid might be required, or where it would be required, or what kind of aid it would need to be." If the Communists gained control of Sicily, apparently a reference to the Sicilian elections in June, Scelba warned "he would have to do something about it." His response might require U.S. help. Dulles nevertheless answered that the United States could not be more specific unless Scelba "put up hypothetical situations sufficiently concretely so that we could make a reply." ~~(S)~~

Scelba then turned to his interest in obtaining World Bank or Export-Import Bank loans, an increase in OSP, or at least a large amount of surplus agricultural products. Regarding the latter, Dulles "pointed out that there were sharp limits on the amount that could be given and that the total amount available for disposal had been already exceeded for the present year."⁹⁵ ~~(S)~~

The prime minister did not give up. At the conclusion of his final meeting with Dulles two days later he suggested inserting in their joint communiqué a statement that if the Italian Government took steps to defend itself against subversion and faced a "situation of emergency nature," the United States "would not hesitate to intervene."

Dulles refused. Scelba also wanted the communiqué to include explicit assurance that the United States would participate in his government's economic program and not just "express its sympathy," as a U.S. draft had put it. Here the two men compromised. After considerable discussion the reference to sympathy was deleted and a phrase added that stressed U.S. "continuing interest" in Italy's economic development.⁹⁶ (U)

Scelba's only significant achievement came near the end of the visit when he announced during a meeting with Secretary Wilson and Assistant Secretary Hensel the news that Communist strength had sharply declined in the Fiat shop steward elections.⁹⁷ (U)

Scelba seems to have been playing a lone hand. On arriving in Washington several members of his party were astonished to learn that he planned to present economic proposals personally drawn up behind the backs of everyone in the Italian Government. Although he left no formal request regarding his proposals, Scelba felt at the conclusion of the visit, according to a member of his party, that "he had not met with any firm refusal to have them considered." What he mistakenly interpreted as generally sympathetic treatment thus inflated his hopes that special assistance might be forthcoming. Opposition to the idea he blamed mostly on Luce: "In Rome Mrs. Luce told me the position of the U.S. would be far harder than it turned out to be. Personally, she must be working against giving me help."⁹⁸ (U))

The issue of U.S. military intervention in the event of civil war was not put to the test. Maneuvering within the Christian Democratic Party and lackluster results in the Sicilian elections brought about Scelba's resignation on 22 June. Although State Department analysts expected his successor, Christian Democrat Antonio Segni, at the

head of another Center coalition, to continue the same foreign policy lines and collaborate with the United States and NATO, they also thought he would not pursue as strong a policy against the Communist Party as Scelba had.⁹⁹ (U)

Scelba showed little gratitude for the support he received from Luce, later commenting that "after all, a male ambassador would have been better." His experience with Luce's successor, James Zellerbach, caused him to soften his appraisal. He remarked, "It's a pity that Ambassador Luce left when she was really beginning to understand Italian politics." She had made her presence felt everywhere, something Zellerbach was not doing, though at times she had been "too obvious in shaping Italian affairs." Scelba recalled, "She was not only in the window, but also under the counter."¹⁰⁰

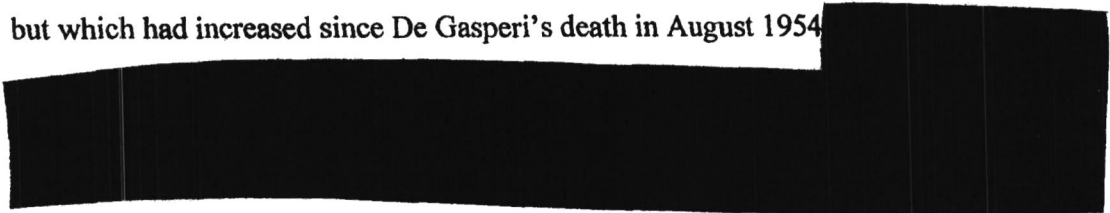
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Questioning Covert Financial Support

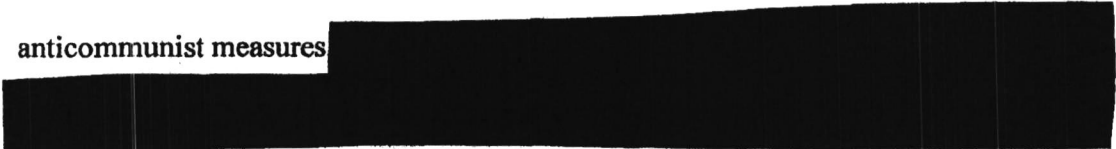
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Another manifestation of Washington's weakening support of Scelba's Government was the re-examination that took place in 1955 of continuing covert financial assistance to the Center parties. (U)

Various factors contributed to the re-examination. One was discouragement over factionalism and bickering within the Christian Democratic Party that had always existed but which had increased since De Gasperi's death in August 1954



A second troubling issue was the lack of forceful implementation of anticommunist measures



DGS 3.3(b)(1)(6) OSD 1.4(c)

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CIA 1.4(c)

[REDACTED]

Without resolution of the Communist problem and a minimum of government reform [REDACTED] Italian democracy would not survive and would "give way to something more authoritarian (and I doubt it will be Communist in form.)"

[REDACTED]

[REDACTED] that the CIA program might be unnecessary. He subsequently suggested preparation of a new intelligence estimate to examine Communist intentions, particularly whether the party wanted "to take Italy at the earliest possible moment." If the estimate found the party "satisfied with its present position here (as many believe), then that assumption may indicate a different policy." Allen Dulles [REDACTED] [REDACTED] too, did not want "to cling to a futile course of action" and that State was responsible for any rigidity that existed.¹⁰³ (U) CIA 1.4(c) DOS 3.3(b)(1)(c)

After Scelba's departure from the United States, Luce remained in Washington to discuss with State and CIA officials his political future and especially the government's anticommunist program. They strongly favored "a showdown" on the latter but, uncertain whether he would be able to hold his coalition together in the near future and remain in power, decided to postpone action.¹⁰⁴ (C)

The issue of whether to continue covert assistance came to an unexpected head in late May 1955. Outraged by an advance copy of a magazine article charging the Italian Government with connivance in heroin traffic to the United States, a charge that the article said the U.S. narcotics commissioner had confirmed, Luce told Foreign Minister

Martino before leaving Rome on another trip to the United States that the United States was greatly alarmed over the situation and expected the Italian Government immediately to ban both the production and consumption of heroin. Years later she recalled that she became "terribly indignant" over the matter and considering resigning. It was the "only time I behaved like a woman." Back in Washington, she sent "a red hot letter" to Eisenhower and Secretary Dulles "about how come we give so much money to the Italians for this, that and the other thing . . . and what do we get back? Heroin."¹⁰⁵ (U)

In the letter Luce urged the President for both moral and political reasons to cut off covert financial assistance. The cause of her distress went beyond the heroin issue. For months, Luce pointed out, she and her staff had been debating the wisdom of CIA 1.4(c) continuing the assistance. [REDACTED] OSD 1.4(c) Others considered the risks too great, that termination would collapse the governing coalition and lead to new elections in which the Center parties would lose badly. The original purpose of the program, she reminded Eisenhower, was to extend funds through key individuals to obtain strong and sustained government action against the Communists. It seemed clear that the aim of these individuals had become to subsidize "themselves and their following, on a more or less permanent basis." According to Luce, DOS 3.3(b)(1)(6)

Today the "key figures" tell us that the earliest date on which effective anti-Communist action can be taken will be after the next general elections—a year hence. They also insist that in the meanwhile they will require a greatly increased covert aid program. Without it, they say, they will lose the elections.

So after five and [a] half billion dollars of overt aid, and large amounts of covert aid, the leaders of the "democratic parties" are telling us today, just as they told us in 1948, that the only alternative to a Communist victory at the polls is for us to keep them and their parties on a permanent handout basis. This certainly is not what we originally intended to do by our disbursement of money to the parties in power.

The failure of our original purpose is manifest in the fact that after four years of covert aid to the coalition parties neither sustained anti-Communist action nor a more "stable government" has materialized. They are not even in sight.

She recommended that Eisenhower or Secretary Dulles urge the Italian Government to ban immediately the production and export of heroin and inform it that failure to do so would result in a cutback in U.S. economic aid and a less favorable attitude toward Italy's application for admission to the United Nations. She also asked permission to inform "Scelba or his successor—and other remaining 'key figures' that aid to them will terminate unless the production of heroin is banned."¹⁰⁶ (U)

The letter, as well as subsequent meetings with Secretary Dulles and Allen Dulles, produced a stir. The Secretary found Luce "quite emotional about the situation" and noted that the letter reflected "a complete reversal." When he discussed it with Eisenhower, he learned that the President, too, was "all excited about the use of money." Eisenhower, who desired an independent investigation, needed to be "straightened out." The Secretary believed that Luce was probably exaggerating the situation, particularly in claiming that three or four people in the Italian Government were pocketing money from the heroin trade, something Allen Dulles denied. Luce's three-hour conversation with the DCI was calmer. She told him that the CIA—apparently meaning [redacted] perhaps others at agency headquarters--favored stopping the aid but that State wanted it continued.¹⁰⁷ (U) CIA 1.4(c) DOS 3.3(4)(1)(6) OSD 1.4(c)

The heroin issue quickly faded, along with Luce's [redacted] call for an end to the covert aid program, after the U.S. narcotics commissioner declared that the published article had misrepresented his views. The situation it described had been true several years before, he said, but was no longer.¹⁰⁸ (U)

The brief controversy may have helped weaken State's support for covert assistance. Without mentioning the heroin charges, in July a State paper of unspecified authorship sharply criticized the CIA program. Much like Luce's letter to the President, it introduced a moral argument: covert aid corrupted "both the giver and the receiver to pass and to receive, or offer to pass and receive, specific sums for specific political acts by persons in official positions." State questioned the efficacy of the program: "Even in cases where we feel one individual official holds views much more to our liking than another, though both are sincere anti-Communists, there is the greatest danger that it would be counter-productive in the long run if we made our preferences known in political circles where our actions would be considered interference in the non-Communist internal affairs of the country." It recommended that if covert aid to the Center parties were continued, "it should be directed solely at improving their parliamentary situation through strengthening the party apparatus and the only condition attached to such aid should be that the aid be used effectively to that end."¹⁰⁹ (C)

Opening to the Left or Move to the Right?

Resigned to the lack of a vigorous anticommunist program by the Segni Government, the United States increasingly in 1955 and 1956 focused on a different issue: the "opening to the Left." The idea, which predated Luce's arrival in Rome, held that the Center coalition could be strengthened by encouraging the Nenni Socialists to split from the Communists and bringing them into the government. Whether Nenni, who at times spoke as if he might break with the Communists on such issues as their opposition to NATO, would actually do so, occasioned much debate. In Washington and

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at the Embassy opposition rested on the fear that the Socialists would ultimately prove a Communist "Trojan horse" in the government.¹¹⁰ (U)

What distinguished Luce from others worried about Nenni was her deep-seated suspicion of prominent left-wing Christian Democratic figures, particularly Fanfani and Giovanni Gronchi. In October 1954 she warned that Fanfani, behaving like many other European politicians, felt "forced to seek power through compromise with the pro-Cominform Left" in a context where "Russia (not the USA) is the nearest and most powerful neighbor." If Nenni offered to support Fanfani, the latter would find it difficult to refuse, especially since "it would give him a long whirl of power in Italy." She feared that "not even the most expert diplomacy, not the craftiest cloak and dagger operation could prevent this great and final slippage to the East, once Fanfani joins hands (innocently or not) with Nenni."¹¹¹ (U)

Gronchi's election in April 1955 as President of the Republic, with support from the Communists and Socialists, raised concern that he would be sympathetic to the "opening to the Left." Although Luce advocated a wait-and-see attitude toward him, Allen Dulles could find nothing communist in his background and admitted that the CIA did not have a clear estimate as to whether the Socialists, once inside the government, would turn out to be "a Trojan horse." Gronchi's views on foreign affairs—what Luce characterized as "a nationalistic attitude strongly tinged with neutralism"—bothered her since they seemed to reflect a growing neutralist-leftist trend in Italy. His election probably meant "a 'new look' in Italy in economic and international matters, and that Italy views its NATO partnership mainly as a dollar-generating program, and not as a mutual defense agreement against the USSR."¹¹² ~~(S)~~

During Luce's congratulatory call on Gronchi in May, he spent the first half hour complaining about his unfair treatment by the American press. He assured her that as a Catholic he was strongly against communism on political grounds. He was not opposed to the Socialists on the same ethical and religious grounds as he was to the Communists and made clear his willingness to work with the former to improve Italy's standard of living. Though the time had not yet come to bring the Socialists into the government, he believed an "opening to the Left" absolutely necessary. It should be to the economic, not political, Left. While Luce's record of the conversation made no mention of Gronchi specifically criticizing her, press accounts painted a different picture. Sources close to the new President said that he had bluntly blamed her for inspiring the press campaign against him when she intimated to reporters that U.S. aid would be sharply reduced if he were elected. Journalists joked that Luce, upset by Gronchi's election, was suffering from a severe bout of "gronchitis." Gronchi reportedly hoped that Luce would not return from an upcoming trip to the United States and would be replaced soon, preferably by a man. Luce did return, and ironically, one of her last major activities as ambassador was accompanying Gronchi, whom she continued to mistrust, on a visit to the United States in the spring of 1956.¹¹³ (U)

Though most of the talk regarding political realignment centered on the opening to the Left, the United States also considered encouraging the Center coalition to move to the Right by reaching out to the Monarchists. The Christian Democrats were against this, and De Gasperi criticized Luce for pushing the idea. At times she wanted the Monarchists to be asked to provide parliamentary support for the government, but it is difficult to find evidence for her favoring their inclusion in the cabinet. She seemed more interested in

having them play a useful role if the political situation became desperate. As early as January 1954, even before the Pella Government fell, she believed that sentiment for the Monarchists was stronger than generally believed. She recommended establishing clandestine contact with former King Umberto, then in exile in Switzerland, and finding someone "to head a Monarchist government in case it becomes advisable to undertake a Monarchist coup to forestall either a Communist or Fascist dictatorship in Italy." She saw this "solely as an emergency measure in case our best efforts to support democracy in Italy fail." The House of Savoy, she thought, might be "the only half-way House for Italian democracy."¹⁴ ~~(S)~~

Nor was she alone in thinking favorably of the Monarchists. A few months later, the CIA's Deputy Director for Intelligence, Robert Amory, observed that if the Scelba Government fell, "we cannot risk elections at this time and an effort will have to be made to get a national government including the monarchists," who, he felt, were "reasonably liberal, economically sensible," and in some cases "reform minded." The Embassy, he reported, thought bringing them into the government might bring two years of political stability. Their inclusion in the government, however, did not become U.S. policy. As a State Department paper put it, "Formation of a rightist coalition would only accelerate the expansion of the Communist bloc, particularly in the South where the Social Democrats and the non-Communist left-of-center groups have no organization."¹⁵ (U)

In December 1955 Luce, who had obviously modified her views, told Assistant Secretary of State Merchant:

I think we must continue to support the center—a move to the Left is unacceptable, while a move to the right would be politically unpalatable in Italy today. On the other hand, I don't think we should expect any earth-shaking anti-Communist moves. If we can head off an "opening to the left" by which the

Socialists are used as an organized party by the Government, and if the international situation continues to result in the détente's not being translated into real Soviet concessions of substance, I think there is some chance that the trend of organized labor away from the Communists will be maintained, and that the slight political amelioration of the center parties, especially the Christian Democratic party, will increase.¹¹⁶

Although much of the movement to the Left—the Socialists eventually entered the government during the Kennedy administration--and the corresponding decline of the Right occurred after Luce's departure, she and others may have misread or underestimated the changes taking place below the surface of Italian politics. (U)

Mission Accomplished?

Absent from her post for long periods in 1955 and 1956, ostensibly because of poor health, Luce left Italy in dramatic fashion in November 1956, the apparent victim—as she claimed--of lead poisoning from paint chips falling from her bedroom ceiling, or possibly the main character in a hoax she herself had concocted.¹¹⁷ (U)

How effective was she as ambassador? While scholars, especially Italians, tend to portray her in a negative light, contemporaries held mixed views. *New York Times* correspondent Cyrus Sulzberger, who traveled extensively throughout the country in the spring of 1954 and met with her for four hours, had little good to say: "I think she's nuts and merely wants to make a big name for herself as an activist in her first diplomatic job."¹¹⁸ Prime Ministers Pella and Scelba had qualms about working with her on sensitive military matters, occasionally employing other channels. Prejudice against her as a woman was a factor, but concern over her indiscretion may also have been at work. On the other hand, British Ambassador Clarke came to regard her more favorably than did his predecessor: "She is an intelligent woman and it is always stimulating to discuss with her matters of common interest." A top Italian Foreign Ministry official called her the

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most influential U.S. ambassador to serve in Rome, "because she is a member of your Politburo. If there is anything we really want done we persuade her—she circumvents the State Department and telephones the White House. *Time* and *Life* are more valuable to us than experience."¹¹⁹ (U)

Foreign Service officers working for her generally gave her high marks. Durbrow called her "the most democratic" ambassador with whom he had served. Moreover, she was "so damned intelligent," thought "things through using a lawyer's logical method," sought advice and took "it with an open mind (you can say what you think—but she makes up her own mind)," and had a "wonderful sense of humor." A junior officer said "she was a great lady, no doubt about it." Like British Ambassador Clarke, a staff member who spoke Italian and often served as interpreter during conversations with Italian officials found Luce's intellectual curiosity made it "extremely stimulating to be around her." Another recalled her as "a person of extraordinary presence, the very definition of the word 'charisma'," although from the perspective of 40 years later, she struck him as "almost a caricature of our pervasive American phobia over Communism." Elsewhere in Europe, U.S. diplomats spoke critically of her loose tongue and inappropriate social remarks.¹²⁰ Perhaps in part a sign of the disdain career diplomats sometimes have for political appointees, their attitude may have stemmed from jealousy over Luce's direct access to the President and the Secretary of State. (U)

A conservative, staunch Republican, Luce occasionally viewed developments through partisan eyes, magnifying setbacks in Italy or elsewhere into catastrophes that required drastic action to lessen political fallout. The summer of 1954 was a low point for her: grudging progress in the Trieste negotiations, EDC floundering in the French

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National Assembly, and the Italian Government holding up agreement on such issues as the military facilities accord. She complained to the President that the Italians felt in a position to "blackmail" the United States. Eisenhower took a practical approach. He did not think military bases in Italy, diminishing daily in importance, were vital, pointing out to Dulles that this attitude might change if the Italians received the impression "we were losing interest." Dulles later told him that Scelba had promised to sign the facilities agreement within 24 hours after the signing of any agreement on Trieste. If he did not keep his word, State would let it be known that the United States was considering deployment elsewhere of the forces planned for Italy.¹²¹ (U)

Luce's frustration elicited a more extreme response from her. She told Eisenhower's press secretary that unless the United States took decisive action, Europe would go Communist within five years. The United States "should do something and do something fast to gain a political victory." When he asked whether she was recommending an attack somewhere in the world, she said yes, suggesting Formosa and mainland China as "the most likely spot." Luce had expressed similar thoughts in a meeting with Eisenhower. At his request she expanded on her ideas in a 37-page paper sent to the President and many other high government officials about the sorry state of U.S. foreign policy and the damage it would do to Republican Party chances in the November 1954 congressional elections. No response from Eisenhower has been found, but Secretary Dulles said that answers to the problems she had raised were not "as available or as effective" as he had hoped. Use of tactical nuclear weapons on Communist China was "a matter which deserves and receives very careful consideration," Dulles said. "But to take the initiative in precipitating atomic war

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involves the gravest consequences in terms of our world-wide relations. It is not clear that on balance we would gain."¹²² (U)

In September 1954, when the Trieste negotiations were still stalled and the French National Assembly had just rejected EDC, Luce despairingly told Eisenhower: "Unless (a) the balloon goes up in either the Pacific or Europe, or (b) the Italians themselves take bloody action against their own communists, now unfortunately harder to do since the collapse of EDC and the Trieste failure, or (c) we are now prepared to extend a vast aid program to the Italian economy, we must be prepared for a political Pearl Harbor in the next election." She added that Yugoslavia "will not remain on our side if Italy goes communist and Germany cannot enter NATO, so we may lose Yugoslavia as well before many more years have passed."¹²³ (U)

Preparing to leave Italy two years later, Luce viewed her record positively and pointed to political stability as the greatest achievement. She told Secretary Dulles: "Today the threat of a Communist takeover in Italy is all but forgotten. . . . Politically and ideologically Italy is more stable than many competent observers predicted three or four years ago it would be today." It is true that during her tenure and a few years thereafter Communist Party membership declined sharply, from 54,000 in 1954 to 30,000 in 1959, but this was due in part to disillusionment over the brutal Soviet suppression of the Hungarian Revolution and perhaps to Italy's growing economic prosperity.¹²⁴ (U)

Luce did lack a major advantage her predecessors enjoyed. She could not promise substantial amounts of economic assistance. By the time she arrived the United States had given Italy \$2.8 billion in post-war economic aid. In Luce's first year (FY 1954) it received only \$105 million, an amount that fell the following fiscal year to \$45 million.

Offshore-procurement contracts totaled \$383 million during her first summer; they plunged to \$91 million in 1954 and \$39.5 million the year after.¹²⁵ (U)

The turnabout in March 1955 in the Fiat shop steward elections helped Luce to boast that OSP policy had a "profound and stimulating influence on the growth of the free labor unions--with a corresponding loss in strength and prestige of the Communist-dominated CGIL." An Embassy survey showed that in more than 250 plant elections during the first six months of 1955, CGIL strength declined 15% compared to the same period the previous year. In plants where the OSP policy was in effect the drop was even greater—21%. By 1957 results were more striking. That year CSIL and UIL representatives won 55% of shop steward elections compared to 20% in 1952.¹²⁶ (U)

Although OSP contracting was a diminishing asset, an Embassy official looking back on the period rated it a "fairly successful" example of "hard ball."¹²⁷ One scholar, however, considered the results illusory since many workers voted for non-Communist unions to save their jobs while their loyalties remained Communist. Approximately 1.5 million left the CGIL between 1954 and 1958 without joining either of the main non-Communist confederations. They simply left the labor movement. While another study pointed out that CGIL membership at the Fiat plant dropped from 40,000 in 1950 to only 1,000 in 1960, it did not identify pressures exerted through OSP as a cause of the decline.¹²⁸ (U)

Luce's biggest tool was the CIA's political action program. A June 1956 agency study noted that at least 90% of its expenditures in Italy went for "covert political, psychological, and propaganda operations." The study concluded that payments to some political parties had helped stabilize central governments "favorably disposed toward the

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United States." But it expressed concern over shortcomings in the delivery and supervision of the use of the subsidies and uncertainty whether payments to "other political entities" had furthered U.S. objectives.¹²⁹ (U)

William Colby, who administered the CIA program, said the amount came to several million dollars and represented the agency's largest-ever political action program. Some accounts put the figure at \$25 million a year, relying on a former employee's claim that during the 1950s the agency annually spent at least \$20-30 million in Italy. This seems much too high, given the decidedly smaller amounts of which there is a record. Moreover, the agency disclosed that during the period 1948-1968 it gave the Center parties, labor groups, and other organizations \$65.15 million, an average of little more than \$3 million a year.¹³⁰ Given the virtual withering away of the program by 1962,¹³¹ an annual amount of around \$5 million during the Eisenhower years seems more accurate than \$25 million. (U)

Whatever its size, Colby argued that the program's accomplishments could not be measured in short-term ways, that "we were in this for the long haul" and "that it would not be until the 1958 elections that we could have even a benchmark of whether we had succeeded in halting the trend toward waning Christian Democratic strength and rising Communist strength." But the results of the 1958 election were not decisive. The Christian Democrats gained two percentage points, the Communists and the small Center parties remained at about the same percentages, and the Right lost substantially. The Nenni Socialists emerged the only big winners. While some in Washington questioned whether the CIA program had any impact on the results, Colby thought otherwise. "The defeat of the Right meant that Communism's threat would be met through democratic

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politics, not a reversion to Fascism. The strength of the Socialists, even without aid from the outside, meant that left-wing sentiment looked toward a democratic form of socialism." The efficacy and morality of U.S. intervention in the domestic affairs of another country--as Luce and others called into question in 1955--have remained subjects of continuing debate.¹³² (U)

Under a succession of prime ministers in the late 1950s, coalitions led by the Christian Democrats continued to govern amid general domestic calm, save for a political crisis beginning in the spring of 1960 that culminated in public protests and riots in June and formation of a new Center government the following month.¹³³ (U)

U.S. military intervention to prevent a forcible Communist takeover remained an officially sanctioned option through the end of Eisenhower's administration. But the policy underwent a significant change. In a new NSC paper drafted in August 1960, the Planning Board recommended that "in the event the Communists appear to be acquiring or actually achieve control of the Italian national Government or portions thereof by *either legal or illegal means* [emphasis added], the United States should be prepared, in the light of conditions existing at that time, to take appropriate action, *either alone or in cooperation with other allied nations* [emphasis added], including as a last resort the use of military power, to assist whatever Italian elements are seeking to prevent or overthrow Communist domination."¹³⁴ (U)

In presenting the paper to the NSC in December 1960, Special Assistant for National Security Affairs Gordon Gray noted that existing policy required the United States to act in concert with its allies, but it also provided great freedom of maneuver for any multilateral action. While the new policy would allow the United States to act alone,

it would more severely circumscribe the range of actions. The President asked what the United States could do alone. Secretary of State Christian Herter said the only thing was a naval blockade by the Sixth Fleet. Drawing attention to use of the phrase "military power," Eisenhower declared that "when we began to use our military power we had to be prepared to use all our military power." He suggested deleting the phrase "including as a last resort the use of military power" and replacing it with "taking every realistic or feasible measure." He also wanted a sentence added to indicate that in the event of a Communist takeover, U.S. military action would occur only in concert with major European allies.¹³⁵ His views on the matter had changed little during the course of his administration. ~~(S)~~

Because of Luce's marriage to a powerful figure in the publishing world, her access to Eisenhower and Dulles that few ambassadors enjoyed, but mostly her personality and gift for dramatization, it is tempting to exaggerate her influence. If Luce indeed talked too much, she also—in one sense--wrote too much, leaving a big paper trail for historians. However forcefully, colorfully, or persistently she offered recommendations, it is important to note how often they were not accepted.* (U)

Her public persona made it appear that the Eisenhower administration carried out a more aggressive policy than Truman's toward Italian communism. In fact, Eisenhower basically followed the approach of his predecessor. Despite later inflated claims, the

* Eisenhower thought enough of Luce's performance in Italy to appoint her in 1959 as Ambassador to Brazil. In April 1959 the Senate overwhelmingly approved the nomination, although Wayne Morse (D-Oregon), citing among other things her record in Italy, bitterly attacked her as unfit for a diplomatic assignment. Luce's subsequent quip that her difficulties "began when Senator Morse was kicked in the head" by a horse, something that in fact had happened years before, provoked a public furor, during which she decided to resign before being sworn in. (U)

amount of covert funding stayed much the same, as did the focus on strengthening free trade unions through the OSP program, though Luce certainly lent that effort more visibility. What did change, given congressional tightfistedness, was the amount of economic and military assistance the Eisenhower administration was able to provide. (U)

During Luce's time as ambassador, Washington—primarily Eisenhower and Secretary Dulles—made policy toward Italy with little input from the Department of Defense and no great inclination to accept advice from her. It has been said that Eisenhower was his own secretary of defense, particularly during Wilson's tenure. With his World War II experience and service as NATO's first military head, it was natural for him to take an especially active part in shaping policy toward Europe. And because of the extensive covert program, the Central Intelligence Agency, though not a policy-making body, obviously played a big part. (U)

Eisenhower and Dulles were willing to intervene militarily only if the Communists forcibly seized power and then only in concert with other European nations. Despite the possibility of civil war erupting if Prime Minister Scelba took strong action against the Communists, they were reluctant to commit forces unilaterally, an act that could well have had disastrous consequences--the unraveling of the Western alliance or the outbreak of general war. Once Eisenhower ruled out a military response in the event the Communists came to power legally, Dulles may have squelched any inclination he had to push for something stronger. Robert Bowie, who as head of State's Policy Planning Office knew Dulles's mind better than most, said that the Secretary was reluctant "to assert an independent judgment on military matters" because "Eisenhower knew so much more about military things than he would ever know."¹³⁶ Although a

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Communist takeover of Italy by legal means would have constituted a terrible setback, it was something the two men could countenance. (U)

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1. Regarding the U.S. intervention in the 1948 Italian election campaign, see Miller, "Taking Off the Gloves," 35-56 (U); Ventresca, *From Fascism to Democracy*, 61-99 (U); Mistry, "The Case for Political Warfare," 301-29 (U); Callanan, *Covert Action in the Cold War*, 24-45; and Rearden, *Formative Years*, 169-74 (U).


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2. NSC 1/1, "The Position of the United States with Respect to Italy," 14 Nov 47, *FRUS 1948*, 3:724-29; NSC 1/2, "The Position of the United States with Respect to Italy," 10 Feb 48, *ibid*, 765-69; NSC 1/3, "Position of the United States with Respect to Italy in Light of the Possibility that the Communists Will Obtain Participation in the Italian Government by Legal Means," 8 Mar 48, *ibid*, 775-79 (U).
3. NSC 67, "The Position of the United States with Respect to Communism in Italy," 12 Apr 50, Doc. CK3100454654, *DDRS* (quote) (U); NSC 67/1, "The Position of the United States with Respect to Communism in Italy," 21 Apr 50, *FRUS 1950*, 3:1486-91 (U); NSC 67/2, "The Position of the United States with Respect to the Communist Threat to Italy," Doc. CK3100391042, *DDRS* (U); NSC 67/3, "The Communist Threat to Italy," 5 Jan 51, *FRUS 1951*, 4:543-45 (U); Rearden, *Formative Years*, 174-75 (U).
4. Lucas, "Campaigns of Truth," 289 (U); Del Pero, "The United States and 'Psychological Warfare' in Italy," 1310-19 (U). For continuity in approach between the administrations, see PSB D-15b, "Psychological Operations Plan for the Reduction of Communist Power

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- in Italy," 21 Feb 52, Doc. CK3100140779, *DDRS* (U), and the OCB Working Group's progress report of 31 March 1954 on PSB D-15b (combined with progress reports on two other PSB papers), Doc. CK3100133289, *ibid* (U).
5. Morin, *Her Excellency*, 32 (U). Luce was the second female ambassador, Eugenie Anderson having served with that rank in Denmark, December 1949-January 1953. Three women had held the rank of minister: Ruth Bryan Owen to Denmark, May 1933-June 1936; Florence Jaffray Harriman to Norway, July 1937-April 1940; and Perle Mesta to Luxembourg, September 1949-April 1953 (Dept State, *Principal Officers of the Department of State and United States Chiefs of Mission*, 40, 72, 83, 105) (U).
6. For Luce's earlier career, see Shadegg, *Clare Boothe Luce* (U); Sheed, *Clare Boothe Luce* (U); and Morris, *Rage for Fame* (U). The last covers only the period prior to her election to the House of Representatives. For her rebuttal of the claim that she talked too much, see her interv by Alden Hatch, 28 Oct [54], 5, fldr 36, box 5, Hatch Papers, UF (U). For details regarding the appointment, see Galambos, ed, *Public Papers of Dwight David Eisenhower*, 14:66, n 5 (U); *FRUS* 1952-54, 6:1605, n 1 (U); and Hatch, *Ambassador Extraordinary*, 14-21, 244 (U). See also Luce interv by John Luter, 11 Jan 68, 17-21, CUOHP, and various documents in fldr Appointment 1953 Corresp., box 642, Luce Papers, LC (U).
7. Ltr Mallet to Harrison, 16 Feb 53, FO 371/107799, Foreign Office: General Correspondence, NAK (U); Hatch, *Ambassador Extraordinary*, 205, 244 (U). The staff member who considered resigning was Joseph Jacobs (Shadegg, *Clare Boothe Luce*, 241 (U)).

8. Luce interv, 11 Jan 68, 25, CUOHP (U); tel 52 Saving Rome to For Off, 6 May 53, FO 371/107743, Foreign Office: General Correspondence, NAK (U); interv Wells Stabler by Charles Stuart Kennedy, 5 Apr 91, 74, FAOHC, *Frontline Diplomacy* website. (U); Sterling and Ascoli, "Lady of Villa Taverna," 12 (U); Rossetti, "Italian Woman's Thoughts," 20 (U); interv Elbridge Durbrow by Alden Hatch, 22 Nov 54, fldr 27, box 5, Hatch Papers, UF (quote) (U).
9. Summary mins, London Ambassadors' mtg, 24-26 Sep 52, fldr London Ambassadors' Mtg Sept 1952, box 31, Entry 1274, Assistant Secretary of State for European Affairs Files, RG 59, NACP (1st quote) (U); *Washington Post*, 19 Mar 53 (2nd quote) (U); Hughes diary entry, 3 Mar 53, fldr Diary 1953-1957, box 5, Hughes Papers, PU (3rd quote) (U); Sheed, *Clare Boothe Luce*, 119 (4th quote) (U).
10. Desp 205 Mallet to Eden, 20 Jul 53, w/encl rpt, "Italy: Heads of Foreign Missions," nd, FO 482/7, Confidential Print: Italy, NAK (quotes) (U); Shadegg, *Clare Boothe Luce*, 242 (U). The British Ambassador in Washington, Roger Makins, had informed the Foreign Office that at a dinner for Prime Minister Churchill in January 1953 during a visit to the United States, Luce's "excessive emotionalism made a very poor impression on those of us who met her." He suggested that because "of her considerable ambition, her skill in handling people, her ability and lack of scruple," Mallet should handle her "rather cautiously," at least at first. "A judicious mixture of flattery of the lady as a person and full acceptance of her as a colleague can no doubt be combined with close relations on


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business matters with her Number Two. (Ltr, Makins to Harrison, 30 Apr 53, FO 371/107799, Foreign Office: General Correspondence, NAK) (U).

11. NSC 1/3, "Position of the United States with Respect to Italy in Light of the Possibility that the Communists Will Obtain Participation in the Italian Government by Legal Means," 8 Mar 48, cited in n 2 (U); memo JCS for SecDef, 10 Mar 48: *FRUS 1948*, 3:782-83 (U); CIA, ORE 6-48, "Consequences of Communist Accession to Power in Italy by Legal Means," 5 Mar 48, 3-4, CIA website (U).
12. Memo Hickerson for SecState, 8 Mar 48, *ibid*, 779-80; tels 1062 Rome to State, and 677 State to Rome, 12 Mar 48; tels 680, 1195, and 1558, Rome to State, 13, 18 Mar, and 6 Apr 48: *FRUS 1948*, 3:784-89 (U). Regarding the strong likelihood of a Communist insurrection to seize power, see tel 3957 Rome to State, *ibid*, 738-39 (U). For a slightly more optimistic assessment, see CIA 4, "Review of the World Situation as It Relates to the Security of the United States," 4 Jan 48, Doc. CK3100367740, *DDRS* (U).
13. Memo JCS for SecDef, 30 Jun 49, and memo SecDef for ExecSecNSC, 14 Jul 49, Doc. CK3100454647, *DDRS* (U). Executive Secretary Souers circulated the memos to NSC members under cover of his memo of 15 July, in which he said that the Secretary of Defense had requested no action on them unless someone wished to object or comment. In that event they would be scheduled for consideration by the NSC.

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14. State OIR rpt, "Communism in the Free World: Capabilities of the Communist Party, Italy," IR-6165.22, Jan 53, CIA-RDP78-02646R000300050001-9, CREST Database, NACP (U).
15. Schaffer, *Ellsworth Bunker*, 44 (U); memo Norberg for Morgan and Browne, 25 Feb 53, fldr PSB 091.4 (1), box 15, PSB Central Files, NSC Staff Papers, DDEL (U).
16. Rich, "Political Trends in Italy," 469-75 (U).
17. Poggiolini, "Italy," 137 (U). The electoral reform law was approved by the Chamber of Deputies (312-80) on 21 January 1953 and by the Senate (174-0) on 29 March after opponents staged a 72-hour filibuster and walked out before the vote. It was signed into law on 31 March 1953.
18. Del Pero, "American Pressures and Their Containment in Italy," 416 (U).
19. Ed note, *FRUS 1952-54*, 6:1577 (U); ltr Bunker to Dulles, 28 Jul 52, fldr HS-CSG Document 2590 Correspondence Dealing with Covert Assistance for Democratic Political Parties in Italy, box 7, History Staff Records, Job 83-00764R, CIA (S).
20. NSC paper, "Current Policies of the Government of the United States Relating to the National Security," 1 Nov 52, vol. I, pt. III, Doc. CK3100265755, *DDRS* (U); NIE-71, "Probable Developments in Italy," 31 Mar 53, CIA website (quote) (U);
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remarks, mins LENAP cmte mtg, 22 Apr 53, fldr PSB 091.4 (1), box 15, PSB Central Files, NSC Staff Papers, DDEL (U).

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21. Memo Elliot (State, R) for Craig (State, R), 21 Oct 52, Doc. CK3100085062, *DDRS* (U); mins LENAP cmte mtg, 27 May 53, fldr PSB 091.4 (1) [LENAP], box 15, PSB Central Files, NSC Staff Papers, DDEL (U); tel 4981 Rome to State, 3 Jun 53, *FRUS 1952-54*, 6:1606-08 (quote) (U); OCI, "Current Intelligence Weekly," 5 Jun 53, 7, CIA website (U).
22. USIS advance text of Luce address, Milan, 28 May 53, fldr 5-28-53, box 686, Luce Papers, LC (U); *Christian Science Monitor*, 29 May 53 (quote) (U); *New York Times*, 29, 30 May, 2, 5 Jun 53 (U); *Chicago Tribune*, 29 May 53 (U). See also MSA/USIS Combined Information Services, "Italian Press Trends," No. 82 (for week ending 31 May 1953), 6-7, and No. 83 (for week ending 7 June 1953), 2-3, fldr Italian Press Trends 1953 vol. 1, box 639, Luce Papers, LC (U).
23. Interv Francis Williamson by Alden Hatch, 10 Nov 54, fldr 47, box 5, Hatch Papers, UF (U); tel 66 Saving, Rome to For Off, 4 Jun 53, FO 371/107743, Foreign Office: General Correspondence, NAK (U); *Hartford Courant*, 6 Jun 53 (U); *Washington Post*, 7 (quote), 11 Jun 53 (U).
24. Ltr Luce to Jackson, 18 Jun 53, *FRUS 1952-54*, 6:1612-13 (U); Sterling and Ascoli, "Lady of Villa Taverna," 13 (U); Hatch, *Ambassador Extraordinary*, 216-18 (U); Martin, *Henry and Clare*, 312 (U); Baldrige, *A Lady First*, 117-18 (U). For Baldrige's earlier, more detailed account of working with Luce in Italy, in which she does not mention the Milan speech, see her *Roman Candle* (U). Dorothy Farmer, not Baldrige, apparently typed the drafts (see note 25).
25. First typewritten draft, 24 May 53, with numerous handwritten changes and additions, fldr 5-28-53, box 686, Luce Papers, LC (U). Luce added to this draft by

hand several passages, including the following: "So long as Italy continues her thrilling forward march on the ancient highway of her greatness, so long she can count on Americas' intimate and warm cooperation. For I am required in all honesty to tell you that should your stable and progressive government be stopped and unsteadied in that march, there would logically and tragically follow a grave rupture of that collaboration, and if—though it cannot happen—the Italian government and its unhappy people should then fall victim to totalitarianism of the left or the right, the rupture would be irreparable." Attached to the first draft is the following undated note in the same hand as the language added to the text:

"D[orothy] F[armer] 2 carbons retype, double space: starting on new pages where blue marks are! Thanks. (Back to the old familiar salt mines, eh?)

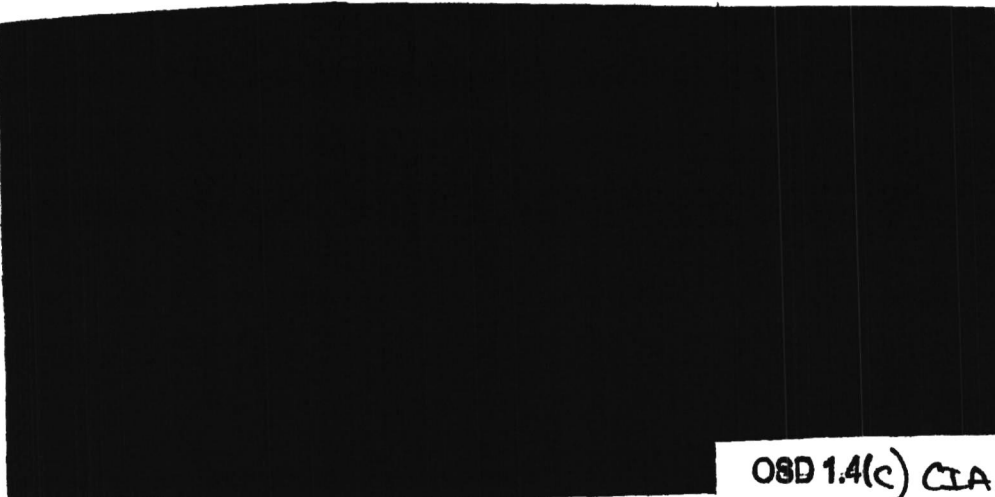
C[lare]B[oothe]L[uce]" A second, clean typewritten draft, incorporating the handwritten revisions on the first draft and dated 25 May, is *ibid* (U).

26. Barzini, "Ambassador Luce, as Italians See Her," 27-28 (U).
27. Ltr Luce to Bernays, 5 Jun 53, fldr Correspondence 1953 A-H, box 763, Luce Papers, LC (U); unsigned memo for "Mr. Ray, British Embassy," "Voting Pool * Estimated Election Figures Submitted by Ambassador Luce—American Embassy," 8 Jun 53, fldr Memoranda, InterOffice 1953, box 787, *ibid* (the memo also indicated that a 1,000 lira note was enclosed) (U).
28. *Hartford Courant*, 12, 21 Jun 53 (U); tel 5112 Rome to State, 12 Jun 53, *FRUS 1952-54*, 6:1609-12 (U).
29. Anne O'Hare McCormick, "Just a Little Too Close for Comfort," *New York Times*, 10 Jun 53 (U); tel Dulte 1 Paris to State (Dulles to Pres), 23 Apr 53, Doc.

CK310000187413, *DDRS* (U); ltr Bunker to MSA Dir Harriman, 12 Nov 52, ltr Harriman to DepSecDef Foster, 1 Dec 52, ltr DepSpecRep Europe Anderson to Bunker, 11 Dec 52, ltr Harriman to Foster, 23 Dec 52, Cotel 3003 State to Rome, 24 Jan 53: *FRUS 1952-54*, 6:1595-1603 (U); NSC 142, "Status of United States Programs for National Security as of December 31, 1952," 10 Feb 53, 28, fldr Italy, 1945-60, box 127, Subject Files, OSD Hist (U); "Semiannual Psychological Activity Status Report of the Department of Defense for the Period From 1 January through 30 June 1953: Summary," 30 Jun 53, 22, CIA-RDP-8001065A000500010-8, CREST Database, NACP (U).

30.

31.

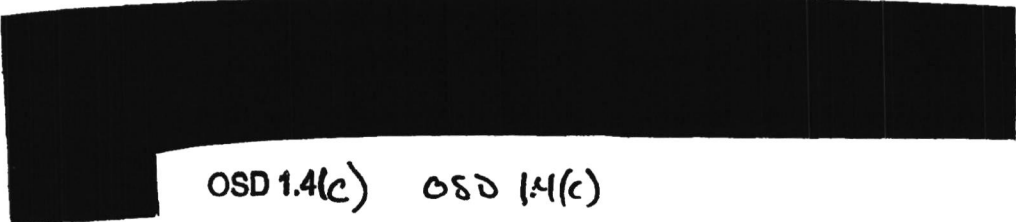


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32. Ltr Gruenther to Pres, 5 Sep 53, fldr Italy (9), box 33, International Series, Whitman File, DDEL (U). Unhappy about being used as a messenger in this way, Gruenther told Eisenhower that if he had been asked while in Rome to carry out this task, he would have declined. Under the circumstances, however, he considered transmitting the message the lesser evil. He also sent copies of the letter to Luce and to MacArthur at State.

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33. For a summary of the fall 1953 crisis and sketch of the 1954 negotiations, see Campbell, *Successful Negotiation*, 3-21 (U).
34. Briefing notes for NSC mtg, "Italian Strike Situation," 9 Dec 53, CIA-RDP79R-00890A000200020015-7, CREST Database, NACP (U).
35. 
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36. Interv Durbrow, 22 Nov 54, cited in n 8 (U).
37. Ltr Luce to Pres, 3 Nov 53, with atchd memo, "Estimate of the Italian Situation," nd, fldr Letters 1953, box 11, Entry 2783, Luce Embassy Records, RG 84, NACP (U). Luce sent copies of her estimate to Secretary Dulles and Allen Dulles. The letter and the estimate, with deletions, are in *FRUS 1952-54*, 6:1631-34 (U). A completely declassified copy of the estimate is in fldr Correspondence, box 633, Luce Papers, LC (U).
38. Memo Pres for Smith, 7 Nov 53, summarized and quoted in *FRUS 1952-54*, 6:1634, n 1 (U). Eisenhower said that if Smith disagreed with this approach, he would probably destroy the letter.
39. Ltr Pres to Luce, 7 Nov 53, Galambos, ed, *Papers of Dwight David Eisenhower*, 14:659-61 (U). The text here includes the phrase "clandestinely or publicly" in Eisenhower's concluding sentence, but it was deleted from the version in *FRUS 1952-54*, 6:1637 (U). The complete text is in file 765.00/11-753, box 3949, Central Decimal Files, RG 59, NACP (U).

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40. Memo [redacted] for DCI, 4 Aug 53, cited in n 30 (c); memo [redacted] for Chief, Operations (DD/P), 6 Nov 53; paper, "Recommended Program of Political Action in Italy," nd, atchd to memo [redacted] for DDI, 9 Nov 53; [redacted]

[redacted] A State Department memo at the end of December indicated only that the OCB had approved Luce's "recommendations regarding covert activities" but gave no specifics (memo Bonbright for SecState, 31 Dec 53, file 765.00/12-3153, box 3949, Central Decimal Files, RG 59, NACP) (U).

41. Mins IAC mtg, 10 Nov 53, CIA-RDP82-00400R0001000060008-2, CREST Database, NACP (U); briefing paper for NSC mtg, 12 Nov 53, CIA-RDP80R-01443R-000200020003-6. ibid (quote) (U). The paper bears the handwritten marginal notations: "Estimate" and "not used." See also a draft of SE-54, "The Political Outlook in Italy," 28 Dec 53, atchd to memo ActingExecSec National Estimates for IAC, 28 Dec 53 (CIA-RDP79R-00890A0002000020042-7, ibid (U).

[redacted]

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42. Memo Stewart for ASD (ISA), 16 Dec 53, atchd w/Nash memo for Merchant, 23 Dec 53, file 765.00/12-2353, box 3943, Central Decimal Files, RG 59, NACP (U). Stewart saw to it that her ideas reached Wilson, as well as Assistant Secretary of Defense (ISA) Nash and others (memcon Christenson w/Nash, 15 Dec 53, and supplemental note of conv w/SecDef Wilson, Nash, et al, 16 Dec 53, Doc. CK3100493570, *DDRS*) (U)). Nash's memo to Merchant of 23 December

summarized the discussions in Paris among Defense and State officials regarding Luce's views on the growing Communist threat to Italy.

43. Ltr Luce to Gruenther, 11 Dec 53, *FRUS 1952-54*, 6:1642-45 (U); ltr Gruenther to Luce, 18 Dec 53, 1645-46 (U); memcon Gruenther, Norstad, et al, 17 Dec 53, fldr 092 NATO, box 11, Acc 60A-1025, ISA Files, RG 330, WNRC (S).
44. *New York Times*, 12 Jan 54 (U); ltr Dulles to Gruenther, 9 Jan 54, CIA-RDP80B-01676R002700010055-4, CREST Database, NACP (U); Morin, *Her Excellency*, 39 (U). A memo of Luce's meeting with Secretary Dulles and Allen Dulles as well as various State, CIA, Defense, and FOA officials, is in file 765.001/1-254, box 3949, Central Decimal Files, RG 59, NACP (U). A memo of her conversation with Nash and other officials on 5 January is in fldr Washington Trip January 1, 1954, box 8, Entry 2783, Luce Embassy Records, RG 84, *ibid* (U).
45. "Planning Activities of the Psychological Strategy Board Through June 30, 1952," 1 Aug 52, Annex E to PSB D-30, "The National Psychological Program," *FRUS, 1950-55: Intelligence Community*, 319-20 (U); State circ airg, 21 Jan 52, *FRUS 1952-54*, 6:1570-72 (U); memo Walmsley (State, S) for Norberg (PSB), 13 May 52, Doc. CK3100085021, *DDRS* (U); ltr Smith to Foster, 6 Dec 52, CIA website (U).
46. Ltr Dulles to Luce, 14 Jan 54, atchd to memo Merchant for SecState, 7 Jan 54, file 765.00/1-1454, box 3949, Central Decimal Files, RG 59, NACP (U). Also attached to the memo was a copy of the proposed statement for the press to be made either by the President, the Secretary of State, or FOA Director Stassen. The statement bears a handwritten notation that it was not used (U).

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47. Reston, "U.S. to Bid Italy Curb Reds," *New York Times*, 13 Jan 54 (U); *ibid*, 15, 30 Jan 54 (U); *Time*, 25 Jan 54 (U); ltr Luce to Smith, 8 Feb 54, fldr Offshore Procurement Orders, box 5, Entry 2783, Luce Embassy Records, RG 84, NACP (U); Sterling, "Italy Is Not Lost Yet," 23 (U). Reston said the source of his information was the Fiat representative in Washington (ltr Arthur Hays Sulzberger to Luce, 13 Jan 54, fldr Correspondence 1954 O-Z, box 687, Luce Papers, LC) (U).
48. Ltr Smith to Luce, 1 Mar 54, fldr Offshore Procurement Orders, box 5, Entry 2783, Luce Embassy Records, RG 84, NACP (U).
49. *Manchester Guardian*, 27 Mar 54 (U); *New York Times*, 27, 29 March, 1 Apr 54 (U). According to an article in the journal *L'Europeo*, 28 March 1954, Luce made the remarks on 5 January at a dinner at the Mayflower Hotel given her by a dozen journalists. An English translation of part of the article is attached to a letter from Ashley Clarke to Geoffrey Harrison at the Foreign Office, 6 Apr 54, FO 371/113140, Foreign Office: General Correspondence, NAK (U). Clarke said that Luce had spoken to him at length about the article, admitting that some of the statements attributed to her "correspond roughly to remarks she has made in private or to journalists from time to time but she claims that someone with ill intention has collected snippets of her views over a period and put them together with a number of pure inventions in order to produce the most damaging effect and discredit her generally." She suspected the Communists. On the whole, Clarke accepted her denial, believing the article "bogus in the sense that while some of the views attributed to Mrs. Luce correspond to what she has said to me

and others from time to time, they have been taken out of context and given a slant which largely falsifies what she meant."

50. Desp 173 Rome to For Off, 30 Jul 54, FO 482/8, Confidential Print: Italy, NAK (quote) (U); min Lake, 9 Feb 54, FO 371/113090, Foreign Office: General Correspondence, *ibid* (quotes) (U).
51. Diary entry, 6 Mar 54, Sulzberger, *Long Row of Candles*, 982 (U); memo, "Mario Scelba: Biography," nd, atchd to memo Scott for Goodpaster, 24 Mar 55, fldr State, Department of (Mar. 1955), box 70, White House Central File, Confidential File, DDEL (U).
52. Tel 1164 Rome to State, 30 Nov 53, *FRUS 1952-54*, 6:1640-42 (quote) (U); ltr Luce to Smith, 8 Feb 54, fldr Offshore Procurement Orders, box 5, Entry 2783, Luce Embassy Records, RG 84, NACP (U).
53. Memo Howe (Dir, INR), 26 Feb 54, w/atchmt, file 765.00/3-554, box 3949, Central Decimal Files, RG 59, *ibid* (U).
54. Memo Merchant for ActgSecState, 1 Mar 54, file 765.00/3-1354, *ibid* (U).
55. Msg Trudeau to Arnold, 3 Mar 54, drafted by Trueheart (State, INR) and approved by Smith, *ibid* (U).
56. Ltr Smith to Luce, 4 Mar 54, file 765.00/3-1354, *ibid* (U).
57. By the spring of 1954 Luce's Italian was probably good, but not fluent. Prior to 1953 she had been to Italy five times and had met De Gasperi during his 1947 visit to the United States. At her Senate confirmation hearing in February 1953, she stated that her command of the language was limited. She could read fairly well, deliver formal presentations from a script, and understand it when not

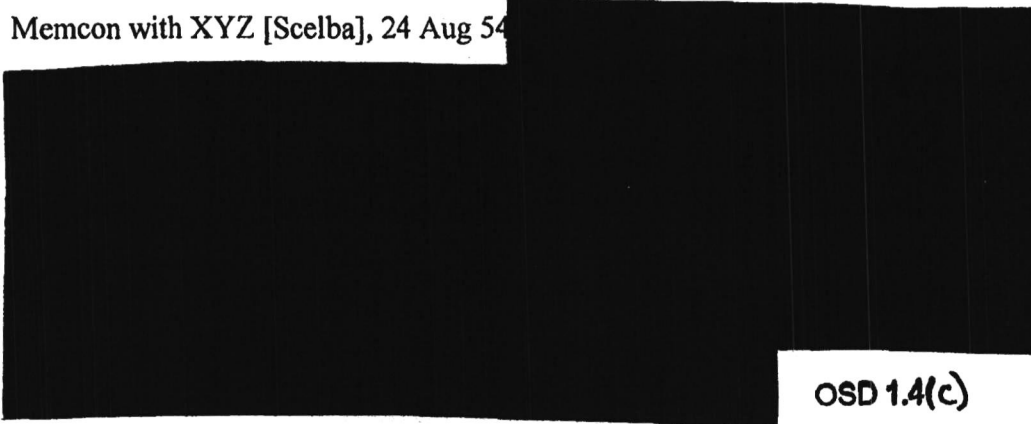
spoken too rapidly, but was unable to converse for any length of time as she could in Spanish and French. Upon disembarking in Naples in April she read in broken Italian a portion of prepared remarks to a cheering crowd. Shortly after she assumed her post in Rome, De Gasperi probably was too generous in telling reporters that she "already speaks Italian quite fluently." (Rpt of executive session hearing before the Senate Foreign Relations Committee, *Nomination of Clare Boothe Luce of Connecticut to be Ambassador to Italy*, 17 Feb 53, 19-20, fldr Appointment: Senate Foreign Relations Committee Hearing, 1953, box 642, Luce Papers, LC (U); "Mrs. Luce Wins Italian Throng with--Accent," *Chicago Tribune*, 23 Apr 53 (U); "Mrs. Luce Gives De Gasperi Copy of Credentials," *ibid*, 29 Apr 53 (U)). Regarding her previous visits to Italy, see the typewritten answers to questions, nd, fldr ca. 1953 (1 of 2), box 686, Luce Papers, LC (a handwritten notation at the top reads, "Martinelli Interview [1953].") (U).


58. Ltr Luce to Smith, 13 Mar 54, file 765.00/3-1354, box 3949, Central Decimal Files, RG 59, NACP ~~(S)~~. The letter, with portions excised, is in *FRUS 1952-54*, 6:1660-63 (U).
59. Ltr Luce to Smith, 13 Mar 54, cited in n 58 (U).
60. Diary entry, 5 Mar 54, Sulzberger, *Long Row of Candles*, 978 (U).
61. Ltr Smith to Luce, 26 Mar 54, w/encl paper on U.S. views toward Italy, nd, file 765.00/3-1354, file 765.00/3-1354, box 3949, Central Decimal Files, RG 59, NACP (U).
62. Ltr Luce to Smith, 7 Apr 54, file 765.00/4-754, file 765.00/4-754, *ibid* (quotes) (U); tel Rome 3102 to State, 6 Apr 54, file 765.00/4-1554, *ibid* (U).

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63. Ltr Smith to Luce, 22 Apr 54, file 765.00/4-1554, *ibid* (U).
64. NSC 5411, "U.S. Policy Toward Italy," 12 Mar 54, *FRUS 1952-54*, 6:1656-60 (heavily excised) (U).
65. Dulles, "Memorandum re Italy," nd, bound volume: Council of Foreign Ministers (II), box 533, Dulles Papers, PU; tel State Telmar 70 to SecState in London, 11 Dec 47, and SecState tel Martel 71 to State, 12 Dec 47: *FRUS 1947*, 3746, 748-49. For Truman's statement released on 13 December, see *ibid*, 749, n 2.
66. Memo of disc, 149th NSC mtg, 9 Jun 53, fldr 149th Meeting, box 4, NSC Series, Whitman File, DDEL ~~(S)~~ A sanitized text is in *FRUS 1952-54*, 2:374 (quote) (U). The approved paper, NSC 153/1, "Restatement of Basic National Security Policy," 10 Jun 53, is *ibid*, 378-86 (U).
67. Memo Radford for Wilson, 23 Mar 54, *ibid*, 1665-68 (U).
68. Memo of disc, 190th NSC mtg, 25 Mar 54, *ibid*, 1668-71 (U).
69. Memo of disc, 193^d NSC mtg, 13 Apr 54, Doc. CK3100083833, *DDRS* (quotes) (sanitized text in *FRUS 1952-54*, 6:1675-77) (U); memo Bonesteel for Gerhardt (Dep for Eur Aff, For Mil Sales Office), 26 Mar 54, fldr NSC 5433--Immediate US Policy Toward Europe, box 8, Acc 65A-3500, ISA-NSC Files, RG 330, WNRC (U); memo Gerhardt for Bonesteel, 29 Mar 54, fldr NATO, box 5, Acc 68A-4024, ISA-NSC Files, RG 330, *ibid* (U); memo Merchant for SecState, 1 Apr 54, file 765.00/4-154, box 3949, Central Decimal Files, RG 59, NACP (U).
70. Memo of disc, 193^d NSC mtg, 13 Apr 54, cited in n 69 (U).
71. NSC 5411/2, "U.S. Policy Toward Italy," 15 Apr 54, 10-11, Doc. CK3100522482, *DDRS* (U). Portions are in *FRUS 1952-54*, 6:1677-81 (U).

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72. Tel 3514 Rome to State, 4 May 54, file 611.65/5-454, box 2838, Central Decimal Files, RG 59, NACP (U).
73. Memo Merchant for SecState, 11 May 54 (quotes) (U); Ltr Dulles to Stassen 14 May 54, tel 3832 State to Rome, 14 May 54: *ibid* (U). The letter to Stassen is also in *FRUS 1952-54*, 6:1681-82 (U). CIA 1.4(c)
74. Memcon with XYZ [Scelba], 24 Aug 54  OSD 1.4(c)
75. Ltr Luce to Dulles, 13 Sep 54, fldr Memoranda: Atomic Power and the Lost American Revolution 1954, box 634, Luce Papers, LC (U).
76. Ltrs Clarke to Kirkpatrick, 25 Oct, 23 Nov 54 (quote), FO 371/113093, Foreign Office: General Political Correspondence, NAK (U).
77. MacArthur memcon, 30 Oct 54, Doc. CK3100500759, *DDRS* (quotes) (U).
According to another record of the meeting, the secretary of state referred to "certain questions that might arise in connection with Italy, and indicated that some basis for U.S. action exists both in NSC decisions and in the U.S. legislative history of the North Atlantic Treaty." Eisenhower observed that there was "a doctrine of self-preservation that applies in certain cases, but that Congress would be called in at once." In addition to Eisenhower and Dulles, Under Secretary of State Hoover, Assistant Secretary of State Merchant, State Counselor MacArthur,

- and Goodpaster attended the meeting. (Goodpaster memo of conf with Pres, 30 Oct 54, fldr ___, box ___, Diary Series, Whitman File, DDEL) (U).
78. NIE 24-54, "Probable Developments in Italy," 16 Nov 54, CIA website (U).
79.  OSD 1.4(c)
CIA 1.4(c)
ed note, tel Secto
- 4 Paris to State, 16 Dec 54 (quote): *FRUS 1952-54*, 6:1711, 1717, and n 4 (U).
80. Memcon Dulles w/Pres, 10 Jan 55, fldr Meetings with President 1954 (1), box 1, Dulles Papers, DDEL (U); Schratz, "Robert Bostwick Carney," 244-45 (U); Merchant memcon, 10 Jan 55, file 611.65/1-1055, box 2539, Central Decimal Files, RG 59, NACP (U).
81. Memo Carney for Dulles, 18 Jan 55, fldr C-D (1), box 2, Confidential Correspondence Subseries, Dulles Papers, DDEL (~~S~~).
82. Memcon Luce and Durbrow w/Tarchiani, 22 Nov 54, fldr memoranda of Conversation '54, box 4, Entry 2783, Luce Embassy Records, RG 84, NACP (U).
83. Tel Rome 2218 to State, 15 Dec 54, *FRUS 1952-54*, 6:1713-15 (quote) (U); Dulles memcon, 14 Dec 54, fldr Meetings with President 1954 (1), box 1, White House Memoranda Series, Dulles Papers, DDEL (quote) (U). For a biographical sketch and assessment of Fanfani, see the NSC briefing notes prepared for Allen Dulles, "Fanfani's Efforts to Form a New Italian Cabinet," 14 Jan 54, CIA-RDP79R-00890A000200030030-9, CREST Database, NACP (U); memo of disc, 237th NSC mtg, 17 Feb 55, fldr 23th Meeting, box 6, NSC Series, Whitman File, DDEL (quote) (~~S~~).

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84. Ltr Luce to Cutler, 14 Jan 55, *FRUS 1955-57*, 27:213-14 (U). The discussion at the 14 January OCB meeting is summarized, with some text not declassified, *ibid*, 213, n 2 (U).
85. Mins, OCB mtg, 26 Jan 55, Doc. CK31000095425, *DDRS* (U); notes, OCB mtg, 26 Jan 55, atchd/w Godel memrecd, 27 Jan 55, fldr Chrono, box 12, Acc 63A-1575, OSD Files, RG 330, WNRC (quotes) ~~(C)~~.
86. Hensel memo for files, 5 Jan 55, atchd to ltr Hensel to Merchant, 6 Jan 55, fldr 092 Italy, box 11, Acc 60A-1025, ISA Files, RG 330, WNRC ~~(C)~~, ltr Hensel to Anderson, 10 Jan 55, *ibid* ~~(C)~~.
87. Interv H. Struve Hensel by Maurice Matloff, 26 Oct 83, 33, OSD Hist (quotes); ltr Hensel to Anderson, 10 Jan 55, cited in n 87 (quotes) (U).
88. Hensel memo for files, 5 Jan 55, cited in n 87 ~~(C)~~, memo Hensel for Davis (ASD/ISA), 15 Jan 55, fldr 092 Italy, box 11, Acc 60A-1025, ISA files, RG 330, WNRC (quote) ~~(C)~~.
89. Hubbard memo for files, nd, fldr Memoranda of Conversation '55, box 4, Entry 2783, Luce Embassy Records, RG 84, NACP (U). The subject line reads: "Comments made by Ambassador Luce after her Conversation with General Gruenther and General Norstadt [sic], Feb. 3, 1955;" memcon Luce and Valletta, 11 Mar 55, *ibid* (U).
90. A Department of State press release of 23 March, showing the schedule of meetings and activities during Scelba's visit to the United States, 27 March-3 April 1955, is in fldr Visit of PM Scelba to USA, box 7, *ibid* (U). For a

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description by the Counselor of the Italian Embassy of his impressions of Scelba's visit, see Ortona, *La Diplomazia*, 121-28 (U).

91. Memo Dulles for Pres, nd, atchd to memo Scott for Goodpaster, 24 Mar 55, fldr State, Department of (Mar. 1955), box 70, White House Central Files, Confidential File, DDEL (U).
92. Memo Jones for Merchant, 22 Mar 55 (U); draft memo (Freund, EUR/WE) Sec for Pres, 24 Mar 55: file 765.00/3-2455, box 3614, Central Decimal Files, RG 59, NACP (U). Merchant wrote in the top margin of the draft the following notation, which is not completely legible: "Signed by the Secy & handed by him to the President 2:30 pm 3/24/55. LJM" However, that notation is crossed out and another written under it: "Not signed by the Secy. LJM"
93. Memo JCS for Sec Def, 23 Mar 55, Doc. CK3100424600, *DDRS* (quotes) (U).
94. Memcon, Pres w/Scelba et al, 28 Mar 55, *FRUS 1955-57*, 27:249-54 (U).
95. Dulles memcon, 28 Mar 55, fldr Memos of Conversation-General S (1), box 1, Dulles Papers, DDEL ~~(S)~~. A partial text is Doc. CK3100575242, *DDRS* (U).
96. Memcon, 30 Mar 55, fldr Visit of PM Scelba to USA, box 7, Entry 2783, Luce Embassy Records, RG 84, NACP (U) (a partial text is in *FRUS 1955-57*, 27:259-65 (U)); jt communiqué, 30 Mar 55, *American Foreign Policy, 1950-55: Basic Documents*, 1683-85 (U).
97. Memcon Wilson, Hensel, Scelba, et al, 29 Mar 55, fldr Scelba visit, box 33, Entry 1274, Assistant Secretary of State for European Affairs Files, RG 59, NACP (U).
98. Memo of conv with Grillo, 1 Apr 55, fldr Memoranda: Eisenhower Administration, 1954-56, n.d., box 633, Luce Papers, LC (U). In the margin is the

following notation in Luce's hand: "April 1, 1955 in New York." Luce had accompanied the Scelba party to New York as part of a six-city tour after it left Washington.

99. CIA, "Current Intelligence Weekly Summary," 9 Jun 55, Pt 2:16, CIA-RDP79-00927A00050001000001-7, CREST Database, NACP (U); ed note, *FRUS* 1955-57, 27:276 (U).

100. Sterling and Ascoli, "Lady of Villa Taverna," 16 (quote) (U); rpt. 
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101. Stenographic rcd of conv between DCI, Luce, et al, 11 Jan 55, fldr DCI-Memo for the Record 1955, box 8, Executive Registry Files, Files of the Directors of Central Intelligence, Job 80R01731R, CIA (S)

102. 

103.

104.

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105. Henry Jordan, "How Italy's Government Lets Heroin Flood the U.S.," *Bluebook*, 101, 2 (June 1955):24-32, 81-82 (U); memo Luce, 26 May 55, fldr Missions, Investigations, Heroin 1955, box 634, Luce Papers, LC (U) (also Doc.

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CK3100068412, *DDRS* (U)); interv Luce, 11 Jan 68, 45-47, *CUOHP* (quote, 47) (U).

106. Draft ltr Luce to Pres, 6 Jun 55, fldr Missions, Investigations, Heroin 1955, box 634, Luce Papers, LC (U).
107. Telcons, Foster and Allen Dulles, 7, 9 Jun 55, Microfilm Reel 3, *Dulles/Herter Telephone Conversations* (U); mins, DCI mtg w/Deputies, 13 Jun 55, CIA-RDP80B-01676R002300170004-7, CREST Database, NACP (U).
108. For the U.S. Government's follow-up on the heroin story, see memo Dulles for Pres, 5 Jul 55, *FRUS 1955-57*, 27:276-77 (U), and airg A-34 State to Rome, 15 Jul 55, fldr Missions, Investigations, Heroin 1955, box 634, Luce Papers, LC (U). Perhaps to cover herself if public criticism occurred, Luce prepared a two-page summary of her involvement in the affair, in which she falsely asserted, "My memorandum neither stated nor implied that heroin diversion was a current problem. Any inference to the contrary which may have been drawn, was erroneous." (Memo, nd, fldr Missions, Investigations, Heroin 1955, box 634, Luce Papers, LC) (U) OSD 1.4(C) CIA 1.4(C)

109. State paper, ns, nd, atchd w/memo [REDACTED]

[REDACTED] Wisner took strong exception to State's paper, citing the moralistic language that made it "open to the same kind of objection that the Director and the rest of us found with the recent letter of an important Ambassador. Even if it were true that a certain course of conduct on our part was immoral—which I do not consider it to be—what useful purpose is served by this kind of

characterization in writing? Does this not come under the heading of 'nest-fouling'?" Instead of focusing on the covert program, Wisner thought State's moralists should direct their indignation at similar public aspects of U.S. policy, like the refusal to award OSP contracts to Italian firms with Communist-dominated unions. A handwritten notation in the margin of his memo reads:

"Never used." (C)

110. For early expressions of opposition to the idea of an opening to the Left, see tel 173 Moscow to State, 25 Jul 52, and circ airg State to Rome and other posts, 29 Jun 53, *FRUS 1952-54*, 6:1584-87, 1620-21 (U).
 111. Ltr Luce to C. D. Jackson, 29 Sept 54, fldr Misc. Luce Papers, box 10, Entry 2783, Luce Embassy Records, RG 84, NACP (U) (partial text in *FRUS 1952-54*, 6:1705-06) (U).
 112. Memo of disc, 247th NSC mtg, 5 May 55, fldr 247th Meeting, box 6, NSC Series, DDEL (S); ltr Luce to Foster Dulles, 10 May 55, fldr Memoranda: Interoffice Jan-July 1955, box 633, Luce Papers, LC (C).
 113. Memcon Luce and Gronchi, 21 May 55, *FRUS 1955-57*, 27:267-71 (U); "Gronchi Can Do Without Clare," *New York News*, 1 Jul 55 (U); Kisatsky, *United States and the European Right*, 115. Regarding Gronchi's visit to the United States in late February and early March 1956, see *FRUS 1955-57*, 27:331-51 (U).
 114. For De Gasperi's views on the Monarchist question, see Bunker's memorandum of a conversation with him, 5 Sep 52, *FRUS 1952-54*, 6:1591-95 (U), and diary entry, 5 Mar 54, Sulzberger, *Long Row of Candles*, 980 (U)
- [REDACTED]

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[REDACTED] ltr Luce

to Allen Dulles, 12 Mar 54, fldr Correspondence, box CL 1, Luce Papers, LC
(final quote) (U).

115. Amory address, Army War College, Carlisle Barracks, Pa., 16 Mar 54, 26, CIA-RDP79-01048000100300008-7, CREST Database, NACP (quotes) (U); State, Intelligence Report, "Communist Potential for Growth in Italy," 9 Jun 54, 9, fldr Italy, 1945-60, box 127, Subject Files, OSD Hist (U).
116. Ltr Luce to Merchant, 1 Dec 55, *FRUS 1955-57*, 27:313-14 (U).
117. For differing views on whether Luce's lead poisoning story was genuine, see Martin, *Henry and Clare*, 331-33 (U); interv Luce, 11 Jan 68, 58-59, CUOHP (U); ed note, *FRUS 1955-57*, 27:371-72 (U). A compilation apparently done by a staff member showed that in 1955 Luce had been away from Italy 152 days out of 365, 118 of them in the United States ("Residence Record—1955, Ambassador Clare Boothe Luce," nd, fldr Memoranda: Interoffice Nov-Dec 1955, box 634, Luce Papers, LC) (U).
118. Diary entries, 10 Feb, 5 Mar 54, Sulzberger, *Long Row of Candles*, 964, 973-79 (U).
119. Brogi, "Ike and Italy," 13-14 (U); Nuti, "The United States, Italy, and the Opening to the Left," 39-40 (U); desp 165 Clarke to Eden, 20 Jul 54, w/encl rpt, "Italy: Heads of Foreign Missions," nd, FO 482/8, Confidential Print: Italy, NAK (U); Sulzberger ltr extract, 14 Mar 54, quoted in *Long Row of Candles*, 983 (U).
120. Durbrow, quoted in Hatch, *Ambassador Extraordinary*, 244 (U). See also Charles Stuart Kennedy's interviews with Wells Stabler, 5 Apr 91, 15-16; Paul McCusker,

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- 14 Oct 91, 2; William Harrop, 24 Aug 93, 2; James Engle, 1 Aug 88, 1-2; and Horace Torbert, 31 Aug 88, 3: FAOHC, *Frontline Diplomacy* website (U). For comments by Cavendish Cannon, Ambassador in Greece; James Riddleberger in Yugoslavia; and Douglas Dillon in France, see *Long Row of Candles*, 916, 1006, 1010, 1018 (U), respectively. In addition, Gruenther complained to Sulzberger that Luce talked too much and that he "was appalled by her indiscretion." (ibid, 992) (U).
121. Memo Pres, 9 Jul 54, and memo SecState for Pres, 7 Aug 54, *FRUS 1952-54*, 8: 471, 489 (U). Part of Eisenhower's memo is quoted in *Mandate for Change*, 416-17 (U). The military facilities agreement was signed on 20 October 1954, two weeks after the Trieste agreement was concluded (*FRUS 1952-54*, 8:579, n 2) (U). The Italian Government's signature of the NATO Status of Forces (SOF) agreement, which was delayed by the redeployment during the summer of 1955 of U.S. forces from Austria to northern Italy following conclusion of the Austrian State Treaty, did not take place until 11 November 1955 (*FRUS 1955-57*, 27:309, n 2). Regarding the Austrian State Treaty, the redeployment of U.S. forces, creation of the Southern European Task Force (SETAF) headquartered at Verona, see Leighton, *Strategy, Money, and the New Look*, 588-91 (U).
122. Diary entry, 10 Aug 54, Ferrell, ed, *Diary of James C. Hagerty*, 114 (U); Cook, *Declassified Eisenhower*, 195-96 (U); ltr Luce to Pres, 20 Aug 54, fldr: Atomic Power and the Lost American Revolution 1954, box 634, Luce Papers, LC (U). A list of more than 20 recipients of the paper is ibid. (U) Dulles's letter to Luce of 1 September is in fldr Russia, Atomic Power, box CL 1, ibid (U).

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123. Draft ltr, nd [Sep 54], fldr Uncompleted CBL Drafts, box 10, Entry 2783, Luce Embassy Records, RG 84, NACP (U).
124. Ltr Luce to Dulles, 10 Oct 56, *FRUS 1955-57*, 27:388-97 (U); Amyot, *Italian Communist Party*, 123 (U).
125. Sterling and Ascoli, "Lady of Villa Taverna," 13 (U).
126. Ltr Luce to Wilson, 10 Aug 55; fldr 400.12 Italy, box 11, Acc 60A-1025, ISA Files, RG 330, WNRC (U); statement Van Dyke (ICA), 31 Mar 58, *Hearings: Mutual Security Act of 1958*, 370 (U).
127. Interv Stabler, 5 Apr 91, 13, FAOHC, *Frontline Diplomacy* website. (U).
128. Filippelli, *American Labor and Postwar Italy*, 214-15 (U); Amyot, *Italian Communist Party*, 118 (U).
129. Memo, Coyne (ExSec, Pres For Intell Adv Board), 9 May 61, 1-2, CIA website (U).
130. Colby, *Honorable Men*, 111, 115 (quote) (U); Winks, *Cloak & Gown*, 389 (U); Barnes, "Secret Cold War," II:663 (U); Prados, *Lost Crusader*, 59 (U); Blum, *CIA: A Forgotten History*, 130; "The CIA in Italy: An Interview with Victor Marchetti," in Agee and Wolf, *Dirty Work*, 168-69 (U); *CIA—The Pike Report*, 204-05 (U). The Marchetti interview originally appeared in the Milan publication, *Panorama*, 2 May 1974. (U)
131. Interv Samuel Gammon by Charles Stuart Kennedy, 2 Feb 89, 3, FAOHC, *Frontline Diplomacy* website (U).
132. Colby, *Honorable Men*, 130, 135-37 (U); Muravchik, *Exporting Democracy*, 120-23 (U). [REDACTED] has contended that Khrushchev's secret speech of February

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1956 and the Soviet suppression of the Hungarian Revolution later in the year were more important factors in reducing the strength of the Italian Communist Party than U.S. economic aid, military assistance, and covert financial support

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133. CIA, Office of National Estimates, memo for DCI, "The Italian Political Crisis," 17 May 60, and CIA, "Current Intelligence Weekly Review," 23 Jun 60: CIA website (U); ed note, *FRUS* 1958-60, 7:599 (U).
134. NSC 6014, "U.S. Policy Toward Italy," 16 Aug 60, fldr NSC 6014 Series, Lot 63D-351, S/S-NSC files, SD (U). A sanitized text, without the financial appendix, is in *FRUS* 1958-60, 7:600-09, and on the *Digital National Security Archive* website along with the appendix (U). See also memo JCSM-383-60, Twining for SecDef, 29 August 1960, fldr Italy 091, box 2, Acc 64A-2093, OSD Subject Files, RG 330, WNRC (U).
135. Briefing paper, Gray, nd, atchd to memo of disc, 470th NSC mtg, 20 Dec 60, fldr NSC 6014 Series, box 13, Whitman File, DDEL ~~(S)~~. A declassified text of the memorandum of discussion, with one small excision, is Doc. CK3100308849, *DDRS* (U). The text of the approved paper (NSC 6014/1), "U.S. Policy Toward Italy," 19 Jan 61, is on the *Digital National Security Archive* website (U).
136. *The Eisenhower Administration and NATO Nuclear Strategy: An Oral History Roundtable*, 16 Mar 90, 35-36 (U).

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